



**FOREIGN
BROADCAST
INFORMATION
SERVICE**

Daily Report

China

**FBIS-CHI-94-197
Wednesday
12 October 1994**

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report

China

FBIS-CHI-94-197

CONTENTS

12 October 1994

NOTICE TO READERS: Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An * indicates material not disseminated in electronic form.

INTERNATIONAL AFFAIRS

General

XINHUA Links Gulf Situation to U.S. Elections	1
Li Lanqing Says Opening Auto Industry Unacceptable [<i>Hong Kong TA KUNG PAO 11 Oct</i>]	1
Li Lanqing Attends Forum on Social Development [XINHUA]	2
Envoy Speaks to UN Economic, Financial Conference	2
Praises Cairo Population Conference [XINHUA]	2
Economic Growth Remains Key [XINHUA]	3
Hu Qili Sends Telegram, Zou Inscribes [XINHUA]	3
U.S. Defense Secretary Arrives in Haiti [XINHUA]	4
Russia, Western Nations Divided on Role for CSCE [XINHUA]	4
Australia Rules Out Sales of Submarines to Taiwan [XINHUA]	4
Political Parties, Leaders Greet National Day [XINHUA]	4
Mongolian, Zimbabwean Leaders Greet National Day [XINHUA]	5
Trade Ties With Western Asia, Africa Expanding [XINHUA]	5

United States & Canada

Premier Li Peng, Others Receive U.S. Business Group [XINHUA]	6
Telecommunications Firms Sign Pact With U.S. Company [XINHUA]	6
PRC Approves Joint Venture With U.S. Tire Firm [XINHUA]	6

Southeast Asia & Pacific

Beijing Radio Reports on Cambodian Prince's Remarks	7
Trade Minister Wu Yi Meets Indonesian Officials	7
Meets Counterpart [XINHUA]	7
Wu Yi Meets President [XINHUA]	7
Officials Meet Visiting Lao Delegation	8
CPC Official Meets Group [XINHUA]	8
Li Peiyao Meets Guests [XINHUA]	8
Lao Delegation Visits Counterparts [<i>Vientiane Radio</i>]	8
Singapore's Lee Kuan Yew Visits Liaoning [XINHUA]	8
Beijing Government Delegation Visits Thailand [XINHUA]	8
Meets Thai King [XINHUA]	9
Beijing Group Meets SRV Party Secretary [XINHUA]	9
Li Tieying Meets Australian Parliament Member [XINHUA]	9
Case of Detained Australian Official 'Extortion' [<i>Hong Kong EASTERN EXPRESS 11 Oct</i>]	9
PRC, Australian Experts Discuss Issues [XINHUA]	10

Near East & South Asia

Zhu Rongji, Egypt's Mubarak Discuss Ties [XINHUA]	10
Zou Jiahua Ends Visit to Israel [XINHUA]	10
Israeli City Delegation Visits Tianjin [<i>TIANJIN RIBAO 25 Sep</i>]	11
U.S. Secretary Christopher Visits Mideast	11

Leaves Israel for Syria [XINHUA]	11
Christopher Arrives in Damascus [XINHUA]	12
Christopher Arrives in Kuwait [XINHUA]	12

NATIONAL AFFAIRS

Political & Social

RENMIN RIBAO Editorial on CPC 'Decision' [XINHUA]	13
Foreign Ministry Denies Deng Xiaoping in 'Coma' [Tokyo KYODO]	14
Government To Prepare for 'Future Death' of Deng [Paris LE MONDE 12 Oct]	15
Article Views Resurfacing of 'Gang of Elders' [Hong Kong SOUTH CHINA MORNING POST 12 Oct]	15
Luo Gan Unveils General Wang Zhen Statue	17
Video Shows Deng Inscription [Urumqi TV]	17
XINHUA Reports Inscription	17
Wan Li Inspects Nanjing 6-8 Oct [XINHUA]	17
Shandong Secretary Pays Respects to Wang Jinshan's Remains [Jinan Radio]	18
Mao's Daughter Lives Secluded Life in Beijing [ZHONGGUO XINWEN SHE]	18
Dissident Chen Ziming Leaves Hospital, Under Watch [Tokyo KYODO]	18
Two Shanghai Dissidents Get 3-Year Labor Sentences	19
Police Take Dissidents From Homes [Hong Kong TV]	19
Police Tell Mother of Dissident Bao Ge [AFP]	19
Dissident's Wife Asks for Early Release [AFP]	19
Sentencings Worry Dissidents [AFP]	19
Beijing Organizes Consulting Services on Labor Law [XINHUA]	20
Government Publishes Report on Women's Advancement	20
Product of 1985 Conference [XINHUA]	20
'Facts and Figures' From Report [XINHUA]	21
Commentary Praises 'Women's Liberation' [CHINA DAILY 11 Oct]	21
Survey Indicates 'Wealthier' Groups [XINHUA]	22
Rural Women in Liaoning Move Into Specialized Jobs [XINHUA]	22
Government Drafts Law on Occupational Diseases [CHINA DAILY 12 Oct]	22
Many Seek Advice From Labor Officials, Experts [CHINA DAILY 10 Oct]	23
Project Hope Seeks To Educate Rural Children [CHINA DAILY 10 Oct]	23

Economic & Agricultural

Report Lists Five Key Problems Facing Economy [ZHONGGUO XINWEN SHE]	24
Expert Says Economy in Process of 'Soft Landing' [XINHUA]	25
Seven Types of National Markets To Be Established [ZHONGGUO TONGXUN SHE]	25
Official Outlines Plan To Strengthen Patent Law [CHINA DAILY 11 Oct]	26
Enforcement of Intellectual Property Laws Praised [CHINA DAILY 11 Oct]	26
Conference To Study PRC Maritime Code [CHINA DAILY 12 Oct]	27
Asia's Longest Submarine Pipeline Nears Completion [XINHUA]	28
Academy Predicts 11-12 Percent Growth in GDP [CHINA DAILY 12 Oct]	28
XINHUA Releases 3d Quarter Economic Figures	29
Crude Oil Output Reaches 108 Million Tons	29
Coal Output Increases 5.7% Over 1993	29
Foreign Trade Increases Rapidly	30
More Export Commodity Quotas To Be Publicly Bid [ZHONGGUO XINWEN SHE]	30
Plan To Boost Electronics, Machinery Exports [CHINA DAILY 11 Oct]	31
Foreign Investment Boosts Gold Production [ZHONGGUO TONGXUN SHE]	32
Power Industry Introduces Foreign Capital [ZHONGGUO XINWEN SHE]	33
Service Market To Be Opened Wider to Foreigners [ZHONGGUO TONGXUN SHE]	33
Progress Seen in Opening Service Area [CHINA DAILY (BUSINESS WEEKLY) 9-15 Oct] ..	34
International Textile Machinery Exhibition Opens [CHINA DAILY 7 Oct]	35
Foreign Funds, Technologies Help Boost Forestry [XINHUA]	35
Forestry Ministry Principles for Auctioning Land [RENMIN RIBAO 15 Sep]	35
Renminbi Printing Technique To Be Displayed [ZHONGGUO XINWEN SHE]	36
Beijing Forms 'Complete System' for Medicine Output [XINHUA]	36

China Key Household Electrical Appliances Producer [XINHUA]	37
Initial Success Reported in Controlling Steel Output [ZHONGGUO XINWEN SHE]	37
Chain Stores Prove Popular [XINHUA]	38
Air China To Make Shanghai Operations Center [XINHUA]	38
Shanghai Port Passes State Examination [XINHUA]	38
Foreign Funds To Expedite Building of Railroads [ZHONGGUO TONGXUN SHE]	38
Railways Urged To Speed Up Market-Oriented Operations [XINHUA]	39
1993 Air Freight Transport Volume To Double [CHINA DAILY 7 Oct]	41
'Roundup' Views Cooperation Among Cities [XINHUA]	41
Bohai Bay Coastal Cities To Be Linked by Expressways [XINHUA]	42
Three Regional Human Resources Markets Formed [ZHONGGUO TONGXUN SHE]	42
State Development Bank Loans 3 Billion Yuan [XINHUA]	43
China Plans To Train 10 Million Agrotechnicians [XINHUA]	43

REGIONAL AFFAIRS

East Region

Anhui Peasants Enriched With Special Associations [XINHUA]	45
World Bank Loans Help Disaster-Ridden Anhui [XINHUA]	45
Fujian Governor Meets Visiting Taiwan Businessmen [FUJIAN RIBAO 4 Oct]	45
Fujian Enacts Laws To Protect Cultivated Areas [XINHUA]	46
Jiangsu Appoints New Economic Restructuring Official [XINHUA RIBAO 30 Sep]	46
Jiangsu's Xuzhou Attracts Foreign Investment [XINHUA]	46
Surplus Shandong Laborers Trained, Go To Work in Cities [XINHUA]	47
Nation's First Offshore Oil Pipeline Completed [XINHUA]	47
Shanghai Boosts Car Production [XINHUA]	47
Shanghai's Industries on 'Healthy Tract' [XINHUA]	47
Article Views Shanghai's Economic Development [JIEFANG RIBAO 24 Sep]	48
Taiwan Increasing Funds to Shanghai's Yangtze Delta [ZHONGGUO XINWEN SHE]	48
Shanghai Port Handles Increased Export-Import Volume [XINHUA]	49
Shanghai To Invest More in New, High-Tech Industries [XINHUA]	49
Zhejiang Completes First Phase Offshore Oil Base [XINHUA]	49

Central-South Region

Southern Areas Cooperate in Sharing Electricity [XINHUA]	50
Hainan Establishes Telecommunications Network [XINHUA]	50
Henan Nation's 'Largest Transportation Center' [XINHUA]	50
Hunan Helps Rural Women Find Jobs in Cities [XINHUA]	51
Central Hunan City Attracts Overseas Investment [XINHUA]	51
Guangdong Highest Export-Earned Foreign Exchange [Guangzhou Radio]	51
Guangxi Leaders Meet To Name 'Double Support' Models [Nanning Radio]	51

Southwest Region

Sichuan Regulations for Agricultural Contracts [SICHUAN RIBAO 31 Jul]	52
Sichuan City Sets Up Nongovernmental Economic Zone [XINHUA]	56
State Commodity Inspection Group Arrives in Tibet [Lhasa TV]	57
Yunnan Governor Stresses Reform of Land-Use System [Kunming Radio]	57

North Region

Beijing Sets Up Ethnic Group Education Network [XINHUA]	58
Inner Mongolia Areas Benefit From 'Spark Program' [XINHUA]	58
Inner Mongolia Increases Air Service [XINHUA]	59
Inner Mongolia Firm, Universities Train Technicians [XINHUA]	59
National Defense Highway Built in Inner Mongolia [NEIMENGGU RIBAO 23 Sep]	59
Tianjin Sets 'Record' in Using Foreign Funds [TIANJIN RIBAO 25 Sep]	60
Rural Enterprises Become 'Backbone Force' in Shanxi [XINHUA]	60
Shanxi Government Encourages Farmers To Diversify [XINHUA]	60

Northeast Region

Heilongjiang Holds Forum on Comprehensive Reform [Harbin Radio]	61
Heilongjiang Province Arranges Autumn Farm Work [Harbin Radio]	61
Jilin's Changchun Sets Up 'Biggest' Auto Center [XINHUA]	62
Liaoning Tries 10 'Serious' Economic Convicts [LIAONING RIBAO 22 Sep]	62
Liaoning's Shenyang To Become 'Commercial Hub' [XINHUA]	62

PRC MEDIA ON TAIWAN AFFAIRS

Jiang Zemin Receives Taiwanese Business Group [XINHUA]	63
Li Lanqing Meets With Delegation [XINHUA]	63
'Commentary' Calls for Calm in Cross-Strait Exchanges [Beijing Radio]	63

TAIWAN

Dominican Republic, Niger's Support for UN Seat Cited [CNA]	65
Joint Communiqué Signed With Central African Republic [CNA]	65
Taiwan Hopes To Join GATT by Next Spring [CNA]	66
Taiwan No Longer Top Supplier of Machine Tools [CNA]	66
Trade Deficit With ROK Grows [CNA]	66
Council Says Island To Suffer From Rice Imports [CNA]	67
Economic Conference with Mexico Slated for 13-16 Oct [CNA]	67
Bank of Taiwan To Open Branch in Singapore [CNA]	68
Airlines Plan To Begin Taipei-Fukuoka Service [CNA]	68
Editorial on 4th Plenary Session of 14th CPCCC [Taipei CHUNG KUO SHIH PAO 29 Sep]	68

HONG KONG & MACAO

Hong Kong

Patten Reiterates 'Faith' in Joint Declaration [Hong Kong SOUTH CHINA SUNDAY MORNING POST 9 Oct]	70
Further Criticism of Patten's Policy Address	70
Cooperation Promise Questioned [Hong Kong WEN WEI PO 8 Oct]	70
Official Points to 'Meddling' [Hong Kong WEN WEI PO 8 Oct]	71
More on Official [Hong Kong SOUTH CHINA MORNING POST 8 Oct]	72
Amendments of Existing Laws Viewed [Hong Kong TA KUNG PAO 8 Oct]	72
PRC Responds to UK Allowing Taiwan Celebration	73
Taiwan State Visits To Be Prohibited [Hong Kong EASTERN EXPRESS 12 Oct]	73
PRC 'Likely' To Outlaw Flag [Hong Kong EASTERN EXPRESS 11 Oct]	74
Celebrations 'Illegal' After '97 [Hong Kong SOUTH CHINA MORNING POST 10 Oct]	75
Sino-UK Ties in Jeopardy Over Taiwan Fete [Hong Kong SOUTH CHINA MORNING POST 11 Oct]	75
Patten Criticized [Hong Kong WEN WEI PO 11 Oct]	76
UK Accused of Creating Problems [Hong Kong HSIN WAN PAO 10 Oct]	77
Attorney-General Backs Decision on Taiwan [Hong Kong EASTERN EXPRESS 8 Oct]	78
UK Forces' Commander Eager To Meet Counterparts [Hong Kong EASTERN EXPRESS 10 Oct]	79
Basic Law Promotion Campaign Begins [XINHUA]	79
PWC Sub-Group Proposes Interim Legislative Council	80
ILC To Observe 'Basic Law' [Hong Kong TA KUNG PAO 8 Oct]	80
Democrats Warn of Problems [Hong Kong SOUTH CHINA MORNING POST 8 Oct]	81
Patten Opposes Interim Legislature [Hong Kong SOUTH CHINA SUNDAY MORNING POST 9 Oct]	82
Editorial Praises ILC Proposal [Hong Kong WEN WEI PO 10 Oct]	83
'Caretaker Legislature' Criticized [Hong Kong SOUTH CHINA MORNING POST 8 Oct] ...	84
Committee Recommends PLA Follow 'Civilian Laws' [Hong Kong HONGKONG STANDARD 11 Oct]	85
Response To Ban on Civil Servant Contacts With PWC [XINHUA]	85
PWC Official Criticizes Policy [ZHONGGUO TONGXUN SHE]	86

PWC Economic Group Discusses Relevant Issues [XINHUA]	86
PWC Group Discusses Interim Arrangements [XINHUA]	87
Colonial Names To Remain After 1997 [Hong Kong SOUTH CHINA MORNING POST 11 Oct]	87
Editorial Says DAB Showing Symptoms of 'Distress' [Hong Kong SOUTH CHINA MORNING POST 11 Oct]	87
Lawmakers Increase Pressure Over Press Freedom [Hong Kong EASTERN EXPRESS 12 Oct]	88
Hong Kong-Mainland Economic Relations Noted [XINHUA]	88
Authorities Urged To Detail Sewage Project [CHINA DAILY 10 Oct]	91

General

XINHUA Links Gulf Situation to U.S. Elections

OW1110144494 Beijing XINHUA Domestic Service in Chinese 1129 GMT 11 Oct 94

[Unattributed article: "Why Has the Gulf Situation Become Tense Again?"]

[FBIS Translated Text] Beijing, 11 Oct (XINHUA)—Over the last several days, both Iraq and the United States have been moving their troops, causing the situation in the Gulf to become tense again. Many readers are greatly concerned about the situation and want to know more about the truth and the development of the situation. Some relevant information follows:

[Question] Over the last several days, there have been many news reports on Iraqi troop movement toward the Kuwaiti border, and the Gulf situation has attracted people's close attention again. What is happening there?

[Answer] The news about Iraqi troop movement was spread by Iraqi opposition faction on 5 October, evoking an immediate strong U.S. reaction. The Iraqi Government has not denied it, saying only that the troop movement is an internal issue and nobody else's business. It is reported that Iraq moved two armored divisions to the Kuwaiti border, bringing the total strength of Iraqi troops in the border area up to nearly 60,000. The United States has immediately begun to deploy more ground, naval, and air forces to the Gulf region, and the total U.S. troop strength there is expected to reach 69,000 by the end of this week.

[Question] What is the purpose of Iraq's troop movement?

[Answer] Because of its invasion of Kuwait, Iraq has suffered more than four years of international sanctions, its economy is on the verge of collapse, and its people are leading a very hard life. Out of sympathy with Iraq, some countries recently proposed that the sanctions against Iraq be relaxed, but the United States repeatedly insists on keeping them. Iraq believes that the United States is controlling the United Nations and the lifting of the sanctions is unlikely. It is under such a grim situation that Iraq has chosen such an approach.

[Question] Why is the U.S. reaction so strong?

[Answer] The United States is playing up the dangerousness of the Iraqi troop movement so as to use it as a pretext to reject any new proposals by those countries which sympathize with Iraq, and to kill once and for all the proposal on relaxing or lifting the sanctions against Iraq. In addition, the Iraqi threat to Kuwait would make it difficult for the UN Security Council to discuss the relaxation or lifting of the sanctions against Iraq. This is something which the United States would like to see in the near future. Since the end of the Gulf war, the United States has regarded the Saddam regime as a thorn in its

flesh and attempted to apply economic blockade to bring about a change of political power in Iraq. Lifting of the sanctions will enable Iraq to stage a comeback and pose a new challenge to the U.S. interests in the Middle East. Moreover, while the U.S. mid-term election will be held soon, Clinton is anxious to make some new diplomatic achievements so as to win more votes for the Democratic Party. For this reason, he is moving troops to the Gulf region to show his seriousness in wanting to fight.

[Question] Then, will a new war break out in the Gulf region?

[Answer] Both Iraq and the United States are making the threat of the use of force in their own interest. At present, Iraq is no longer capable of invading Kuwait, and its current troop movement is merely a gesture. Besides, under international pressure, the Iraqi side on 10 October announced a northward withdrawal of its troops from the Iraq-Kuwait border. So, the United States no longer has the excuse for starting a war there. Although the situation in the Gulf region has become tense again, a new war there seems to be unlikely.

Li Lanqing Says Opening Auto Industry Unacceptable

HK1110065994 Hong Kong TA KUNG PAO in Chinese 11 Oct 94 p 2

[Report: "Li Lanqing on Obstacles to China's Reentry Into GATT"]

[FBIS Translated Text] Beijing, 10 Oct (TA KUNG PAO)—Chinese Vice Premier Li Lanqing met with the visiting group of the Young Industrialists Association at the state guesthouse in Diaoyutai today. After the meeting, Chiang Li-yun, head of the visiting group, quoted Li Lanqing as saying that there are still some obstacles to China's reentering GATT, because the United States has called for China to open some key protected industries such as the auto industry. This, however, is unacceptable to China. There are differences, moreover, over the issue of how long such industries should be protected. Although China cannot estimate whether it will be admitted to GATT in the near future, it believes that it will be one of the founding members of the World Trade Organization.

Chiang Li-yun also quoted Wang Hui, deputy director of the Department of Taiwan, Hong Kong, and Macao Affairs under the Ministry of Foreign Trade and Economic Cooperation [MOFTEC], as saying: In addition to the auto industry, China will not relax its control over the banking industry. Moreover, the Chinese officials admitted that China's reentry into GATT will have an impact on certain industries and that certain trades may even meet with great difficulties. Under the condition of exercising macroeconomic regulation and control, domestic industries have encountered considerable difficulties in circulating funds. Hence, we must consider how we should support our industries.

With regard to the formulation of new laws and regulations, which MOFTEC has recently studied, Chiang Li-yun expressed hope that the preferential policies for foreign investors will not be scaled back by pertinent regulations. She also called for relevant departments to work out more laws and regulations to protect foreign-invested enterprises so as to absorb more foreign capital.

Quoting Li Lanqing's remarks on the Hong Kong issue, Chiang Li-yun said: Li hopes that the Hong Kong people will not worry about the above problems as China is even more concerned about Hong Kong than the Hong Kong people themselves.

Li Lanqing Attends Forum on Social Development

OW0910105694 Beijing XINHUA Domestic Service in Chinese 1149 GMT 7 Oct 94

[By reporter Li Anding (2621 1344 1353)]

[FBIS Translated Text] Beijing, 7 Oct (XINHUA)—The Beijing International Symposium on Social Development opened in the capital today. The symposium was jointly sponsored by the Chinese Preparatory Committee of the UN World Summit for Social Development, the UN World Summit for Social Development Secretariat, and the UN Development Program [UNDP].

Present at the symposium were Li Lanqing, vice premier; Hao Jianxiu, vice minister of the State Planning Commission; Arthur N. Holcombe, resident representative of the UNDP; and Botuo [name as transliterated], chief coordinator of the UN World Summit for Social Development Secretariat.

Vice Premier Li Lanqing spoke at the opening ceremony on behalf of the Chinese Government. He pointed out: The convocation of the UN World Summit for Social Development indicates that the international community has taken note of the fact that economic development and social development are mutually dependent and help promote each other. Economic development is the precondition and foundation of social development, while the latter is the starting point and the end result of the former. Improving the people's lives in terms material benefits and cultural enrichment and bringing about all-round social progress with the needs of human development at the center are the fundamental objectives of economic development and all other state activities.

In the 15 years since we started reform and opening up to the outside world, China has scored world-acknowledged achievements in social development. The 15 years has been a period in which China recorded the fastest economic growth and the most spectacular increase in its overall national strength in history. It is also a period that witnessed the greatest progress in living standards and social development. China has solved the problem of feeding 22 percent of the world's population with only 7 percent of the world's farmland; the average life expectancy has reached 70; the illiteracy rate among the

young people and adults has dropped to 7 percent; the unemployment rate in urban areas is kept at a low level of 2-3 percent; and the number of those who are still not adequately fed and clad in poverty-stricken rural areas has decreased from 250 million in 1978 to the present 80 million.

Vice Minister Hao Jianxiu said in her speech: The UN World Summit on Social Development, which is expected to be held next March in Copenhagen, capital of Denmark, is a major opportunity for promoting human progress across the globe. The Chinese Government takes the summit seriously and is taking an active part in its preparations. Hao Jianxiu said: To effect a harmonious development of human society, it is essential to do a good job of coordination in the following areas: First, it is essential to harmonize relations between the human race and nature. We must take the protection of nature and the environment seriously and utilize the resources shared by the human race in a fair and rational manner. Second, we must harmonize the relations between men and society and bring about harmonious development of both. This also covers the maintenance of social stability and a balanced relationship between social progress and economic growth. Economic development will not by itself bring about social progress. Fast economic growth could even create social problems. Therefore, it is necessary for us to promote social progress through effective government action, extensive participation, and implementation of development policy.

In response to the UN resolution on convening a summit on social development, the international symposium was held to exchange national experience in social development, discuss problems in social development, enhance international exchange, and make substantive contributions to the drafting of summit documents. Close to 70 experts, scholars, government officials, and representatives of nongovernment organizations representing 16 countries or regions and 12 international organizations attended the symposium. During the three-day session, they will discuss topics concerning concepts and evaluations of social development; poverty elimination; and functions of government, community, and nongovernment organizations in social development. Documents adopted at the end of the symposium will be submitted to the UN.

Envoy Speaks to UN Economic, Financial Conference

Praises Cairo Population Conference

OW0810052694 Beijing XINHUA in English 0357 GMT 8 Oct 94

[FBIS Transcribed Text] United Nations, October 7 (XINHUA)—The World Conference on Population and Development, held recently in Cairo, was another milestone in international cooperation, Chinese representative Wang Xuexian said here today.

Addressing the general debate of the UN Economic and Financial Committee which began today, Wang said that the program of action on population and development adopted at the conference, where world population strategies, objectives and measures for the next two decades were laid out, is indeed "a guiding instrument for both this and the next century."

Saying that the implementation of the action program is "an arduous and urgent task" confronting the international community, he stressed three points to which due attention should be paid:

- To abide by the principle of giving overall consideration to population and development and to seek a fundamental solution to the population question through comprehensive social and economic development.
- To respect the sovereignty of all countries so that they may formulate their own population policies and objectives in line with their specific national conditions.
- To strengthen international cooperation on the basis of mutual respect, equality and mutual benefit. The developed countries in particular should work to improve the international economic environment and increase funds and technical transfer for population and development.

Wang also told the meeting that the Chinese delegation had noted with regret that one developed country had attached extremely harsh political conditions to its donation to the UN Population Fund.

"This seriously contravenes the spirit of the UN Charter and the purposes and principles of UN development operations, and it is not conducive to the implementation of the program of action adopted at the Cairo conference," he said.

Economic Growth Remains Key

OW0810054594 Beijing XINHUA in English 0530
GMT 8 Oct 94

[FBIS Transcribed Text] United Nations, October 7 (XINHUA)—Economic growth is the core of the concept of development and the foundation for progress in other fields, said a Chinese representative to the 49th session of the UN General Assembly today.

Wang Xuexian made the remarks at the economic and financial committee's general debate that opened today.

It is necessary to reach a global consensus on the development concept, he said, and added that it is particularly important to use such a consensus to constructive ends.

He went on to say that a new global partnership should be established to achieve various targets in international economic cooperation, and that the developed countries

should be urged to make a more tangible contribution to narrowing the gap between north and south.

He also said that the role of the UN in multilateral economic cooperation should be strengthened so as to enable the world body to make use of its advantages and play a more effective part in the coordination of international macro economic policies and of multilateral technical cooperation.

On the world economic situation, Wang said that despite some signs of economic recovery, the impoverishment of many developing countries has worsened.

"The elements of inequality, unfairness and even power politics in international economic relations are still threatening and disrupting the developing countries and adversely affecting the sustained, healthy and balanced development of the world economy," he stated.

The Chinese delegation expressed the hope that the discussions at the UN on the agenda for development submitted by the UN secretary-general would help abolish the negative factors in international economic relations, enhance international economic cooperation and add fresh vitality to UN activities in the field of economic development, Wang said.

Hu Qili Sends Telegram, Zou Inscribes

OW1210012394 Beijing XINHUA in English 1734
GMT 11 Oct 94

[FBIS Transcribed Text] Shanghai, October 11 (XINHUA)—The Electronic Business Conference of the Asia-Pacific Region opened here today in Shanghai, China's major industrial and financial city.

Vice Premier Zou Jiahua wrote inscriptions for the conference. Hu Qili, minister of electronics industry sent a telegram of congratulation.

Addressing the opening ceremony, Qu Weizhi, vice minister of electronics industry and director of China's Extension Office of Electronics Information System, said that world economy has been shifting from the industrial age to information age and the information technology industry has become a backbone industry.

As a developing country which is undergoing industrialization, she said, China is facing the pressing need for information modernization. China's target in this regard is to integrate information with industrialization so as to overhaul its traditional industries, the official said.

China has set up a special office under the State Council to coordinate development of the country information industry, she told the conference.

During the three-day conference, participants will discuss such topics as development strategies, technology and application, financial information service and information business.

Modern electronic business and information processing facilities will be on show during the conference.

U.S. Defense Secretary Arrives in Haiti

OW0910014394 Beijing XINHUA in English 0107
GMT 9 Oct 94

[FBIS Transcribed Text] Mexico City, October 8 (XINHUA)—U.S. Defense Secretary William Perry arrived in Haitian capital Port-au-Prince today to assess the situation before the planned return of deposed constitutional President Jean-Bertrand Aristide next Saturday [15 October].

Perry told a press conference that Aristide will return to Haiti next Saturday and that the U.S. troops stationed in the island country will guarantee the re-establishment of democracy in the Caribbean country.

Accompanied by John Shalikashvili, chairman of U.S. Joint Chiefs of Staff, Perry arrived in Haiti a day after the Haitian Parliament passed an amnesty for the leaders of the military coup that toppled Aristide on September 30, 1991.

The coup leaders will relinquish power before October 15, under an agreement with the U.S. Government.

The visit was Perry's second since U.S. troops started arriving in the island country nearly three weeks ago.

Russia, Western Nations Divided on Role for CSCE

OW1010131894 Beijing XINHUA in English 1243
GMT 10 Oct 94

[FBIS Transcribed Text] London, October 10 (XINHUA)—Russia and Western countries are deeply split on the role of the Conference on Security and Cooperation in Europe (CSCE) because of their different views of the future of European security, according to a FINANCIAL TIMES report today.

Russian officials have made clear that they want the CSCE to be transformed from a weak talking body into a powerful institution which could effectively manage the division of Europe and the former Soviet Union into Western and Russian spheres of influence.

They advocated, among other things, the creation of a 10-nation steering committee—with the U.S., Russia, Britain, France and Germany as permanent members, and the other seats rotating—that could intervene in conflicts and allocate peacekeeping mandates.

In Russia's view, the report said, the CSCE committee would license NATO, the Commonwealth of Independent States or forces drawn from both blocs to maintain peace in regional trouble spots.

Most Western countries, particularly the United States and Britain, have rejected the idea, fearing that Russia may use the CSCE to gain as much influence as possible

over the decisions of NATO, while gaining maximum freedom of action for its own military activities in the southern republics of the CIS.

Germany, however, has suggested there is room for a little movement in the direction Russia is proposing, according to the report.

Germany and the Netherlands have aired proposals for the CSCE to become a kind of intermediary between its members and the United Nations, but this has met with a cool response from the United States and Britain, the report said.

Australia Rules Out Sales of Submarines to Taiwan

OW0810025794 Beijing XINHUA in English 0207
GMT 8 Oct 94

[FBIS Transcribed Text] Canberra, October 8 (XINHUA)—Australian Foreign Minister Gareth Evans has ruled out the sales of Australian-made submarines to Taiwan.

Evans said that Australia's "one China" policy meant that the government could not approve such sales to Taiwan.

Evans made this remarks in Washington, where he is on a visit to the United States, Friday [7 October], according to local newspaper "THE AUSTRALIAN" today.

Evans' remarks were apparently a response to a report by "THE AUSTRALIAN" on Thursday that a delegation from Taiwan will visit Australia this month to discuss possible purchase of Australian-made submarines.

The foreign minister said, "The Australian Government has no intention of allowing the export of submarines to Taiwan."

Evans said that the Australian Government was aware of the visit by the delegation from Taiwan, but added, "that visit is private and commercial in nature."

Political Parties, Leaders Greet National Day

OW0710135794 Beijing XINHUA Domestic Service in Chinese 0602 GMT 5 Oct 94

[FBIS Translated Text] Beijing, 5 Oct (XINHUA)—In recent days a number of political parties and their leaders in some countries have separately sent telegrams (messages) to the CPC Central Committee; Jiang Zemin, general secretary of the CPC Central Committee and state president; and Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, congratulating them on the 45th anniversary of the founding of the People's Republic of China.

The CPC Central Committee received congratulatory telegrams from Ortega Diaz, president of the Communist Party of Venezuela, and the Central Committee of the Communist Party of Greece.

Jiang Zemin, general secretary of the CPC Central Committee and state president, received congratulatory telegrams (messages) from Hans Modrow, honorary chairman of the Party of Democratic Socialism of Germany; Madhur Kumar Nepol [name as transliterated], general secretary of the Communist Party of Nepal (United Marxist-Leninist); Man Mohan Adhikary, chairman of the Communist Party of Nepal (United Marxist-Leninist); Ilie Verdet, executive president of the Socialist Labor Party of Romania; and Sha Shabotolov [name as transliterated], chairman of the Communist Party of Tajikistan.

Li Ruihuan, member of the Standing Committee of the CPC Central Committee Political Bureau, received a congratulatory message from Hans Modrow, honorary chairman of the Party of Democratic Socialism of Germany.

Mongolian, Zimbabwean Leaders Greet National Day

OW0710132994 Beijing XINHUA Domestic Service in Chinese 1345 GMT 5 Oct 94

[FBIS Translated Text] Beijing, 5 Oct (XINHUA)—Mongolian and Zimbabwean leaders recently sent congratulatory cables to President Jiang Zemin and Premier Li Peng on the occasion of PRC's 45th founding anniversary.

In their congratulatory cable to President Jiang Zemin and Premier Li Peng, Mongolian President Punsalmaagiyn Ochirbat and Prime Minister Punsagiyn Jasray said: "We are satisfied with the deepened mutual trust as well as the expanded and developed good-neighborly, equal, mutually beneficial, and cooperative relations between the two countries. The Mongolian-Chinese agreement on friendly and cooperative relations, signed during PRC Premier Li Peng's visit to Mongolia this year, is a significant document that has become the foundation for stable development of bilateral relations."

In his congratulatory cable to President Jiang Zemin, Zimbabwean President Mugabe said: "Zimbabwe is very satisfied and pleased to note that our two countries and peoples have very good relations, which have continued to be consolidated in recent years. These friendly and cooperative relations, established long before Zimbabwe's independence, have developed over the years. I deeply believe that, in the interests of the two peoples, Zimbabwe and China will continue to consolidate the existing cooperation, particularly cooperation in industrial and business spheres."

He said: "I also expect continued cooperation between the two governments in UN organizations to seek solutions for problems that still trouble the world so as to promote world peace and development."

Trade Ties With Western Asia, Africa Expanding

OW0810154494 Beijing XINHUA in English 1508 GMT 8 Oct 94

[FBIS Transcribed Text] Beijing, October 8 (XINHUA)—China's economic and trade ties with the western Asian and African countries are expanding, with an annual growth rate of 20 percent in trade volume.

According to a foreign trade official, in 1993, China's total trade volume with this region reached 5.643 billion U.S. dollars, a 4.28 fold rise over 1978.

He Xinhao, director of the Western Asia and Africa Department of the Ministry of Foreign Trade and Economic Cooperation, said that since the 1990s China has attached still greater importance to developing economic and trade cooperations with this region.

To date, China has set up economic and trade ties with 73 countries in this region and signed official trade agreements with 53 of them.

In addition, it has jointly set up the economic, trade and mixed technological committees with most of these countries in a bid to seek new ways, new channels and new forms for further expansion of economic and trade cooperation.

For many years, China has imported from this region petroleum, chemical fertilizers and petrochemical products, iron ore, coffee, cocoa and timber, and exported textiles and other light industry products, metals, machinery and electronic products.

Also, it has provided 64 countries in the region of western Asia and Africa with labor and technical services, involving a total of 7.828 billion U.S. dollars.

In addition, the official said that China's companies and enterprises have invested 69.85 million U.S. dollars to build 161 projects in 43 Asian and African countries. And 24 countries from this region have financed the construction of 78 projects in China with an overall contracting investment of 131 million U.S. dollars.

In bilateral trade relations, China has provided some of the countries in the region with economical aid within its capacity in transportation, agriculture, power station construction, manufacturing, and building of hospitals, schools and gymnasiums, according to the official.

The director expressed his optimism over the development prospects of economic trade ties between China and the western Asian and African countries, saying that the latest developments of the situation in the region shows that these countries is increasingly being stabilized, their economy has started to recover, and there will be a greater demands for materials in this new market.

The form of China's economic exchange with these countries is undergoing a gradual reform, he noted.

Apart from retaining a certain portion of free aid, China will provide more preferential loans to the region in the years ahead.

He explained that China will help the aid-recipient countries run productive enterprises and provide more funds to set up joint ventures for the exploration of their natural resources and development of processing industries in this region in order to manufacture more products geared to the needs of local and home markets.

The official noted that both China and many western Asian and African countries are conducting profound economic reforms, with stresses being shifted from the planned economy to the market one. So there is a need for both sides to be acquainted with each other's reforms and adapted to the transition.

United States & Canada

Premier Li Peng, Others Receive U.S. Business Group

OW1110140994 Beijing XINHUA in English 1347
GMT 11 Oct 94

[FBIS Transcribed Text] Shenyang, October 11 (XINHUA)—Chinese Premier Li Peng met with John Welch, chairman and chief executive officer of the U.S. based General Electric Company (GE), and his party here this afternoon.

Extending his welcome to the visitors, Li said that the GE, one of the world's biggest electric companies, has had a good beginning in its cooperation with China, adding that he hoped that the two sides will conduct economic and technological cooperation in various forms through joint efforts.

Welch said that China, with a huge market, has great potentials in economic development, adding that his company wants to have wide-ranging economic cooperation with China so as to make contributions to the country's economic progress.

Chinese State Councillor and minister in charge of the State Science and Technology Commission Song Jian, minister in charge of the State Planning Commission Chen Jinhua, and acting governor of China's Liaoning Province Wen Shizhen took part in the meeting.

Welch and his party arrived in China October 8 as guests of the Chinese Ministry of Machine-Building Industry.

Telecommunications Firms Sign Pact With U.S. Company

OW1210032194 Beijing XINHUA in English 0230
GMT 12 Oct 94

[FBIS Transcribed Text] New York, October 11 (XINHUA)—Bell South Corporation, a local phone company in the southeastern part of the U.S., and China United Telecommunications Corporation (China Unicom),

announced today they have signed a memorandum of understanding to develop telephone networks in some parts of China where the demand for phone services is greatest.

The memorandum of understanding specifies Bell South will provide China Unicom, also known as Lian Tong, with assistance and consultation in the development of network plans for cellular, wireless and long distance networks. Bell South will also assist the Chinese firm in the planning and project engineering for GSM digital cellular telephone networks for two large urban cities.

In order to support the rapid growth of the economy, the Chinese Government will make the development of telecommunications one of its top priorities. The establishment of China Unicom in July 1994 came as part of the reform of the mechanism of the telecommunications management in China. The newly formed Chinese company has government approval to provide basic communications services, including local, long distance, wireless and value-added services. The company was formed from three government ministries: the Ministry of Electronic Industries, the Ministry of Power and the Ministry of Railways.

The memorandum of understanding makes Bell South as one of the major and earliest partners in building China Unicom's networks.

Bell South provides local telephone service to more than 19 million access lines in the southeastern U.S. and mobile communications services to more than 4.5 million customers worldwide. It has operations in more than a dozen countries.

PRC Approves Joint Venture With U.S. Tire Firm

OW1210041294 Beijing XINHUA in English 0227
GMT 12 Oct 94

[FBIS Transcribed Text] New York, October 11 (XINHUA)—The Goodyear Tire and Rubber Company announced today that it has received the necessary approvals by municipal and central government authorities in China for the company's joint venture with Dalian Rubber General Factory in Liaoning Province.

Goodyear also said that it has been informed by Chinese officials that an outstanding third-party claim against the joint venture has been settled in arbitration proceedings.

The approvals pave the way for company investments totaling about 30 million dollars. Goodyear will take immediate steps to upgrade the factory's production machinery and processes, and increase production of radial auto tires from its pre-joint venture levels of one million tires per year to 1.4 million.

Following engineering work, training and basic technology upgrades, the joint venture initially will produce Nordic and Skandic brand tires—lines that had been produced by Dalian Rubber General Factory. Goodyear brand tires will be produced as soon as Goodyear is able

to complete the transfer of its total quality systems to the joint venture, the company said.

First announced in April, the joint venture has been named Goodyear Dalian Tire Company Limited. It is 75 percent owned by Goodyear and 25 percent owned by Dalian Rubber General Factory.

With the joint venture, Goodyear becomes the first major Western tire company to establish a direct manufacturing presence in China, which represents the greatest growth economy in the world.

Southeast Asia & Pacific

Beijing Radio Reports on Cambodian Prince's Remarks

BK1110115794 Beijing China Radio International in Cambodian 1030 GMT 11 Oct 94

[FBIS Translated Text] Prince Norodom Ranariddh, first prime minister of the Kingdom of Cambodia, said on 10 October that only solidarity between the ruling parties, the army, the police, and the people could guarantee the nation's reconstruction. The prince added that some people had resorted to incitement, intending to break up the relations between the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party and the Cambodian People's Party, the two major ruling parties; however, the Cambodian leaders, the two parties, and the people continued to remain united. In some provinces there were differences of opinion between the two parties, but the differences were not having any impact on the general situation in the country.

The prince further said that, apart from solidarity, the entire nation was still in need of peace, stability, and security. The Royal Government of Cambodia hoped that Democratic Kampuchea and the National Army of Democratic Kampuchea would return to the national fold of Cambodia. He stressed that close relationships and solidarity among Cambodians were highly valued.

Prince Norodom Ranariddh also said that Cambodia was endowed with natural resources, an educated people, and manpower; so providing the nation's policy was stable and society was peaceful, foreign companies would certainly come and invest in Cambodia to promote Cambodia's prosperity and economic development.

Trade Minister Wu Yi Meets Indonesian Officials

Meets Counterpart

OW0710161394 Beijing XINHUA in English 1443 GMT 7 Oct 94

[FBIS Transcribed Text] Jakarta, October 7 (XINHUA)—Economic and trade cooperation between China

and Indonesia has a bright future since their economic and trade relations are mutually complementary.

Visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi and Indonesian Coordinating Minister for Industry and Trade Hartarto shared the same view during their talks held here this afternoon.

After reviewing the latest good development on bilateral economies and trade, the two ministers considered it necessary to take effective measures to overcome the fluctuating situation which had existed in Sino-Indonesian trade in the last two years.

During the talks, Minister Wu put forward several concrete suggestions for the improvement of bilateral relations, such as: To raise understanding on bilateral trade by looking this issue from the strategic point of view, to expand cooperation on many fields, technical trade in particular, and to encourage businessmen of both countries to do two-way investment.

The Chinese minister also urged the Indonesian side to help solve several existing problems in bilateral trade, such as commodity inspection and work duration of Chinese technicians in Indonesia.

Minister Hartarto promised to make consultations with related departments for the settlement of several problems.

Minister Wu Yi also held talks with Indonesian Minister of Trade Satrio Budiarjo today.

After attending the Asia-Pacific Economic Cooperation (APEC) meeting of ministers in charge of trade in Jakarta on October 6, Minister Wu Yi started her official visit to Indonesia today.

She is scheduled to meet Indonesian President Suharto tomorrow.

Wu Yi Meets President

OW0810111694 Beijing XINHUA in English 0827 GMT 8 Oct 94

[FBIS Transcribed Text] Jakarta, October 8 (XINHUA)—Indonesian President Suharto here today met with Wu Yi, visiting Chinese minister of foreign trade and economic cooperation.

The Indonesian head of state noted that as developing countries, both China and Indonesia have achieved great successes in economy and trade. It is very beneficial for the two sides to have frequent exchange of views on economic and trade development.

President Suharto also exchanged views with Wu Yi on the forthcoming informal meeting of the Asia-Pacific Economic Cooperation (APEC) Forum to be held in Jakarta next month. He said that he expects Chinese President Jiang Zemin's presence at the meeting.

President Suharto expressed the belief that his meeting with President Jiang will surely push bilateral relations to a new stage.

Suharto asked Wu Yi to convey his best regards to President Jiang Zemin and Premier Li Peng.

Minister Wu Yi briefed President Suharto on the latest developments of China's economy and trade. She also passed on the best regards from the Chinese leaders to President Suharto.

The meeting proceeded in a cordial and friendly atmosphere. Chinese Ambassador to Indonesia Qian Yongnian was present at the meeting.

Minister Wu Yi attended the APEC meeting of ministers in charge of trade on October 6 in Jakarta and started her official visit to Indonesia on October 7.

Officials Meet Visiting Lao Delegation

CPC Official Meets Group

OW0710161494 Beijing XINHUA in English 1450
GMT 7 Oct 94

[FBIS Transcribed Text] Beijing, October 7 (XINHUA)—Zeng Qinghong, director of the General Office of the Central Committee of the Communist Party of China (CPC), met with Thongsavath Kaykhanphithone, member of the Central Committee of the Lao People's Revolutionary Party (LRP) and director of the General Office of the LRP Central Committee here today.

They briefed each other on the present situation in their respective countries and exchanged views on the organizations, tasks, functions and work of their offices.

After the meeting, Zeng hosted a dinner in honor of Kaykhanphithone and other Laotian guests.

Li Peiyao Meets Guests

OW0810111794 Beijing XINHUA in English 0823
GMT 8 Oct 94

[FBIS Transcribed Text] Beijing, October 8 (XINHUA)—Li Peiyao, vice-chairman of the Standing Committee of the National people's Congress (NPC), met here today with a delegation of the General Office of the Lao People's Revolutionary Party (LPRP) Central Committee.

Both sides expressed satisfactions with the development of friendly cooperation between the two countries in recent years, and expressed that they will continue making efforts to further improve the the traditional friendly relations.

The delegation is headed by Thongsavath Kaykhamphithone [spelling of name as received], member of Central Committee of LPRP and director of the LPRP Central Committee General Office.

Lao Delegation Visits Counterparts

BK0910105994 Vientiane Vitthayou Hengsat Radio
Network in Lao 0000 GMT 9 Oct 94

[FBIS Translated Text] On 7 October in Beijing, the PRC, Thongsavat Khaikhamphithoun, member of the

Lao People's Revolutionary Party Central Committee [LPRP CC] and head of the LPRP CC office, and his party held talks with (Zhe Gin-hong), head of the office of the Chinese Communist Party Central Committee. The delegation was on a one-week study tour in the PRC to learn some lessons. During the talks, the two sides informed each other of the current internal situation in their respective country and exchanged experience and views on organization work, tasks, and obligations of the party.

On the evening of the same day, (Zhe Gin-hong) hosted a dinner reception in honor of the delegation of the LPRP CC office.

Singapore's Lee Kuan Yew Visits Liaoning

OW0810161594 Beijing XINHUA in English 1554
GMT 8 Oct 94

[FBIS Transcribed Text] Shenyang, October 8 (XINHUA)—Liaoning acting Governor Wen Shizhen met with Singaporean Senior Minister Lee Kuan Yew and his party here today.

Lee and his party arrived in the capital of Liaoning Province today for a three-day visit after attending the Second International Economic Forum hosted by the China International Trust and Investment Corporation in Beijing.

During the meeting, Wen briefed Lee on the province's economic development as well as its natural conditions. He voiced the hope that Singaporean investors will participate in the revamping of large and medium-sized enterprises of the province.

Up till now, Singapore has invested a total of 160 million U.S. dollars in 165 Singapore funded enterprises in the northeastern province of China.

Lee said Singaporean businessmen are satisfied with the investing environment here. If investment in Liaoning proved to be fruitful, more Singaporean capital would flow to the province, Lee said.

Also today, Wen and Lee attended a signing ceremony of five cooperation agreements between the province and Singapore.

Beijing Government Delegation Visits Thailand

OW0910121094 Beijing XINHUA in English 1120
GMT 9 Oct 94

[FBIS Transcribed Text] Bangkok, October 9 (XINHUA)—Chen Xitong, in the capacity of senior adviser to China's Beijing Municipal Government, arrived here this afternoon on an official goodwill visit to Thailand.

Chen, who is leading the Beijing Government delegation, was greeted at the airport by Mayor of Bangkok Prof. Krisda Arunvongse and former Mayor of Bangkok Chamlong Srimuang, who is now leader of the Palang Dharma Party.

During the week-long visit, Chen is expected hold talks with mayor of Bangkok on a memorandum of understanding on exchange programs between the two capital cities.

Chen is also expected to be received in audience by King of Thailand Phumiphon Adunyadet and he will call on Prime Minister Chuan Likphai.

Meets Thai King

OW1110004994 Beijing XINHUA in English 1836
GMT 10 Oct 94

[FBIS Transcribed Text] Bangkok, October 10 (XINHUA)—King of Thailand Phumiphon Adunyadet said here today that reforestation is very important for water conservancy and prevention of sandstorms.

During an audience granted to Chen Xitong, senior adviser to the Beijing Municipal Government, the king said tree-planting is also significant for the development of industries, agriculture, as well as for people's livelihood.

Chen is paying a week-long official goodwill visit to Thailand at the invitation of the mayor of the Bangkok Metropolitan Administration, Prof. Krisda Arunvongse.

The king said that through exchange of visits, leaders of the two capitals could learn from each other and promote friendship for the benefit of the people.

Chen said on the occasion that since the two capitals became sister cities last year, cooperation and friendly ties between the two cities have further been strengthened.

Earlier this afternoon, Prime Minister Chuan Likphai also met with Chen Xitong and the Beijing Municipal Government delegation he is leading.

The prime minister said he was confident that Chen's visit would help promote a rapid development of friendship between the people of the two capitals.

Beijing Group Meets SRV Party Secretary

OW0910052494 Beijing XINHUA in English 0337
GMT 9 Oct 94

[FBIS Transcribed Text] Ho Chi Minh City, Vietnam, October 9 (XINHUA)—The development of Sino-Vietnamese relations conforms to the long-term fundamental interests of the two peoples of Vietnam and China, a Vietnamese Communist Party Politburo member said Saturday [8 October].

The development of such relations is also conducive to peace, stability and development in this region and the world as a whole, said Vo Tran Chi, who is also Ho Chi Minh City party secretary, in a speech at a banquet in honor of a Beijing Municipality delegation led by Chen Xitong, politburo member of the Chinese Communist Party (CPC) Central Committee.

Vo said exchanges of high-ranking official delegations from both sides have become a driving force for the steady development of friendly cooperative relations between the two parties and countries.

Chen Xitong, secretary of the CPC Beijing Committee, said he has witnessed the vigorous drive of reform and opening-up in both Hanoi and Ho Chi Minh City and many Vietnamese experiences are worth learning for the Chinese.

The Chinese community [Communist] Party and government attach much importance to developing cordial relations with Vietnam, and the Chinese cities of Beijing and Shanghai have established sisterly ties with Vietnam's Hanoi and Ho Chi Minh City respectively, Chen noted.

The Beijing Municipality delegation arrived in Ho Chi Minh City from Hanoi Friday afternoon. Chen Xitong will end his visit to Vietnam Sunday and head for Bangkok on a visit to Thailand.

Li Tieying Meets Australian Parliament Member

OW0710235794 Beijing XINHUA in English 1438
GMT 7 Oct 94

[FBIS Transcribed Text] Beijing, October 7 (XINHUA)—Chinese State Councillor Li Tieying met here today with Janice Crosio, federal member for Prospect, parliamentary secretary to the minister for social security of Australia.

During the meeting, Li, also minister in charge of the state commission for restructuring economy, briefed Crosio and her party on the construction of the socialist market economy as well as reforms of the social security system in China.

The Australians are here on a visit to China as the guests of the Ministry of Labor.

Case of Detained Australian Official 'Extortion'

HK1110062494 Hong Kong EASTERN EXPRESS in English 11 Oct 94 p 5

[By Stacy Mosher]

[FBIS Transcribed Text] An expert on Chinese law believes China's central government is not supporting Shenzhen authorities in their prosecution of an Australian citizen, James Peng. Donald Lewis, an adviser to an international law firm and a lecturer in Chinese law at the University of Hong Kong, says the Peng case is an example of legally enforced extortion, and a new twist in the official corruption that central authorities have been trying to crack down on.

Thursday [13 October] marks a full year since Macao police called on Peng in his hotel room, took him away for questioning, and then, depending on the version, "released" him near the border with China, or handed

him directly to waiting Chinese security officials. Peng has since remained in detention in Shenzhen, without any formal charges being laid, in spite of allegations of corruption relating to Champaign Industrial, a company he controlled. He had already been found not guilty of similar charges in the Guangdong Higher People's Court in May last year.

Lewis sees Peng's case as a prime example of how corruption has taken over China's legal and judicial system at the provincial level. "Basically it's corruption, involving judges along with the Public Security Bureau and the procuratorate to legally implement extortion campaigns," Lewis said.

PRC, Australian Experts Discuss Issues

*OW1010163194 Beijing XINHUA in English 1616
GMT 10 Oct 94*

[FBIS Transcribed Text] Kunming, October 10 (XINHUA)—Chinese and Australian experts met today in the southwestern city of Kunming to discuss economic development and environmental issues.

The symposium, the first of its kind, is titled "Sino-Australian Symposium on International Economic Development and Cooperation." It is jointly sponsored by China's Yunnan University and La Trobe University of Australia.

With economic development, education and environment as the theme, the symposium has received over 60 papers which touch upon such aspects as economic development in China, Australia, Southeast Asia and Asia-Pacific region as well as the issues such as education, population, legal system, environment pollution and protection in developing countries.

According to organizers of the conference, the seminar will be held once every two years. The next such symposium will be held in Australia's La Trobe University in 1996.

Near East & South Asia

Zhu Rongji, Egypt's Mubarak Discuss Ties

*OW1210030394 Beijing XINHUA in English 0233
GMT 12 Oct 94*

[FBIS Transcribed Text] Cairo, October 11 (XINHUA)—Egyptian President Husni Mubarak met here today with visiting Chinese Vice-Premier Zhu Rongji.

In a cordial and friendly conversation, the Egyptian president said he attaches great importance to expanding friendly relations and cooperation with China and hopes to push the relations between the two countries to a new high.

Mubarak also said the great success China has achieved in economic development and other fields has won the admiration of the Egyptian people.

The Chinese vice-premier said he was very pleased to have the chance to visit Egypt, a great country with a long history of civilization, and get acquainted with the achievements the Egyptian people have made under the leadership of President Mubarak.

On bilateral relations, Zhu said China is interested in carrying out exchanges between the two countries in such fields as free trade zones and banking.

He said he maintained that the two countries should explore new ways of expanding economic cooperation and trade between them.

China is willing to send people to Egypt to study the possibility of establishing joint ventures, Zhu said, adding he hoped the next year will see fresh progress in the economic and trade relations between China and Egypt.

Zhu expressed thanks to the Egyptian Government for its support to China in international affairs. Both Mubarak and Zhu held that the two countries share identical views on human rights and many other questions.

Zhu arrived here Sunday [9 October] night on a six-day official visit to Egypt.

On Monday, Zhu met with Egyptian Prime Minister 'Atif Sidqi, deputy prime minister and Minister of Planning Kamal Ahmad al-Janzuri and deputy prime minister and Minister of Agriculture Yusuf Wali to discuss cooperation between the two countries in various fields.

This morning, Zhu met with Foreign Minister 'Amr Musa to exchange views on the Middle East peace process and other international issues of common concern.

In an interview with Egyptian journalists today, the Chinese vice-premier said China supports the Middle East peace process in which Egypt plays an important role. He also listed some facts to show China's support for the Palestinian people.

Zhu is scheduled to start a tour of other parts of Egypt Wednesday before leaving the country for Greece on Saturday.

Zou Jiahua Ends Visit to Israel

*OW0810000694 Beijing XINHUA in English 1800
GMT 7 Oct 94*

[FBIS Transcribed Text] Jerusalem, October 7 (XINHUA)—Chinese Vice Premier Zou Jiahua ended his four-day official visit to Israel today and left for Portugal via Italy.

Zou, who arrived here Monday [3 October], is the highest ranking Chinese official to visit the Jewish state since the two countries established diplomatic relations in 1992.

Before leaving, Zou said that his visit has been successful and has enhanced mutual understanding and friendship between China and Israel.

This morning, Zou visited Kibbutz Gan Shmuel and the Central Agricultural Cooperative Society, both near Tel Aviv.

During his stay, Zou held talks with Israeli President Ezer Weizman, Prime Minister Yitzhaq Rabin and ministers in charge of agriculture, economy, housing and trade affairs.

They discussed bilateral relations, prospects for further economic cooperation and issues concerning the Middle East peace process.

Both sides pledged to promote bilateral cooperation in trade, agriculture, industry and technology.

Israel is the first leg of Zou's three-nation tour. Following the upcoming visit to Portugal, he will also travel to Denmark.

Israeli City Delegation Visits Tianjin

SK0810123194 Tianjin TIANJIN RIBAO in Chinese
25 Sep 94 p 1

[FBIS Translated Text] On 24 September, Tianjin Municipality and Rishon Le Zion city of Israel signed an agreement on establishing friendly and cooperation ties. At the office of the municipal government, entrusted by Mayor Zhang Lichang, Vice Mayor Ye Disheng met with Mr. (Meier Nizan) [name as transliterated], mayor of Rishon Le Zion city, and also exchanged with him the texts of the agreement on friendly cooperation.

Rishon Le Zion, located in the central western part of Israel, has a population of nearly 170,000. This city has four industrial park zones with a complete set of facilities. At the invitation of Tianjin Municipality, Mr. (Meier Nizan) and his wife visited Tianjin to further understand the municipality and to understand cooperation between the two cities. An agreement on friendly cooperation was also signed.

At the meeting, on behalf of Mayor Zhang Lichang, Ye Disheng expressed welcome and extended greetings to Mr. (Meier Nizan), his wife, and all people of Rishon Le Zion city; and also wished that this city would make greater achievements in future development. After introducing the basic situation of Tianjin, Ye Disheng said that Tianjin has opened itself to all directions and established economic cooperation and friendly contacts with many foreign countries. Along with the establishment of the diplomatic relationship between China and Israel, the gates of the two countries have opened. So, we should make ceaseless efforts to expand the scale of contacts. Tianjin has conducted economic and trade activities with Israel. From now on, the two cities should strengthen cooperation in the economic, cultural, scientific, and technological spheres and narrowed the friendship between the peoples of the two countries.

Mayor (Meier Nizan) said: Tianjin has left a deep impression on us. Both sides have made a start in cooperation. From now on, we should make efforts to promote friendship and mutual development of the two cities. He enthusiastically asked Tianjin Municipality to send a delegation to Rishon Le Zion. Amid a friendly atmosphere, both sides specifically explored ways for developing the economic cooperation and friendly contacts.

Chen Hongjiang, deputy secretary general of the municipal government; and Geng Jianhua, chairman of the municipal foreign affairs office, attended the meeting and the ceremony to exchange the texts of the agreement on friendly cooperation.

U.S. Secretary Christopher Visits Mideast

Leaves Israel for Syria

OW1110105294 Beijing XINHUA in English 1013
GMT 11 Oct 94

[FBIS Transcribed Text] Jerusalem, October 11 (XINHUA)—U.S. Secretary of State Warren Christopher left here this morning for Damascus to hold talks with Syrian President Hafiz al-Asad on how to narrow the gaps between Israeli and Syrian positions.

Following Monday's [10 October] talks in Jerusalem with Prime Minister Yitzhaq Rabin and Foreign Minister Shim'on Peres, Christopher refused to say whether he had received any new proposals from Israel to achieve a breakthrough in talks with Syria.

Speaking to reporters, Peres said that he and Christopher discussed all the problems concerning the Israeli-Syrian peace track.

"We have a full agenda before us. Everybody will try to do whatever he can to advance the agenda into a new reality," he said.

Christopher reaffirmed that the original purpose of his visit was to "add to our efforts to facilitate the peace process between Israel and its Arab neighbors."

"We spend most of our time this morning discussing that—how we can make progress on each of the tracks," he said.

Israeli Ambassador to the U.S. Itamar Rabinovich, who is in charge of negotiations with Syria, said that the problem is not the absence of new proposals from Israel.

"The emphasis this time is not on fresh ideas, but on fresh thinking," he said, implying that both sides should sit at the negotiating table to work out reasonable resolutions.

The biggest obstacle between Israel and Syria is that Syria demands a full Israeli withdrawal from the Golan Heights, but Israel has not committed itself to this.

The killings of civilians in downtown Jerusalem and the tension along the Iraqi-Kuwaiti border were also among the major topics of Christopher's talks with Rabin and Peres.

Rabin warned that his government would fight against Hamas and other extremist organizations to prevent them from jeopardizing peace efforts.

Christopher appealed to PLO Chairman Yasir 'Arafat to respond and act strongly against such incidents. Two Hamas members shot dead two people and injured 13 Sunday night in downtown Jerusalem.

Turning to the tension along the Iraqi-Kuwaiti border caused by the Iraqi troop buildup, Christopher warned that the U.S. would fight against Iraqi troops if they would invade into Kuwait. If somebody thinks America will be restricted by its involvement in Haiti, he is mistaken, he said.

Following his talks in Damascus, Christopher is scheduled to go to Amman for talks with King Husayn Wednesday before meeting with Rabin Thursday in Tel Aviv.

Christopher Arrives in Damascus

*OW1110134594 Beijing XINHUA in English 1308
GMT 11 Oct 94*

[FBIS Transcribed Text] Damascus, October 11 (XINHUA)—U.S. Secretary of State Warren Christopher arrived here today from Israel for a visit to Syria aimed at pushing forward the Middle East peace process on the Syrian-Israeli track.

Christopher was received at the Damascus international airport by Syrian Foreign Minister Faruk al-'Shar.

Speaking to reporters upon his arrival at the airport, Christopher said, "We are resolved to seek to facilitate the peace process and give as much help as we can to both President Hafiz al- Asad and (Israeli) Prime Minister Yitzhaq Rabin. We are seriously seeking to achieve peace in this region."

Christopher also praised the efforts recently made by the Syrian foreign minister during his presence in the U.S. to give an impetus to the peace efforts.

He affirmed that his country would continue its efforts for the achievement of peace in the Middle East.

The secretary of state and his Syrian counterpart left the Damascus international airport together heading to the Presidential Palace for a meeting with Syrian President Hafiz al-Asad.

Christopher Arrives in Kuwait

*OW1210132094 Beijing XINHUA in English 1305
GMT 12 Oct 94*

[FBIS Transcribed Text] Kuwait City, October 12 (XINHUA)—U.S. Secretary of State Warren Christopher arrived here this noon to take part in an emergency meeting of the Gulf Cooperation Council (GCC) foreign ministers in face of a new crisis in the region.

The secretary, who flew from Amman in his new round of Middle East tour, declined to talk to reporters at the Kuwait international airport.

The one-day meeting will show the solidarity and support of Gulf Arab states and the Western powers with Kuwait in the light of the recent Iraqi military buildup north of the Kuwaiti border.

Christopher is scheduled to meet with Kuwaiti Amir Shaykh Jabir al-Ahmad al-Sabah in Bayan palace and then head to the Doha Camp, north of Kuwait city to inspect U.S. troops deployed there.

On the same purpose, the British Foreign Secretary Douglas Hurd arrived here this morning.

Under the joint defense agreements signed by Kuwait and the U.S. and Britain, the two Western countries are sending a large number of troops to the Gulf state to protect it from any possible attacks from Iraq, which once occupied it for seven months four years ago.

The foreign ministers from the six GCC members including Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and the United Arab Emirates and the U.S. secretary of state and the British foreign secretary are to discuss an option to make sure that Iraq could no longer threaten its neighbors.

A proposal to the meeting is to set up an heavy arms exclusion zone for Iraqi land forces in southern Iraq so it can no longer pose a threat to the tiny but rich sheikhdom.

The creation of a 200 kilometers buffer zone has also been proposed.

The UN has already set up a no fly zone over the northern and southern skies of Iraq, from which Iraqi aircraft are barred.

Political & Social

RENMIN RIBAO Editorial on CPC 'Decision'

OW1110170194 Beijing XINHUA Domestic Service in Chinese 1433 GMT 11 Oct 94

["Text" of RENMIN RIBAO editorial for 12 October: "Persist in and Improve Democratic Centralism—Third Discussion on Earnestly Studying and Implementing the 'Decision' of the Fourth Plenary Session of the 14th CPC Central Committee"]

[FBIS Translated Text] Beijing, 11 Oct (XINHUA)—"The CPC Central Committee Decision Concerning Some Major Issues on Strengthening Party Building" (hereinafter referred to as the "Decision") made by the Fourth Plenary Session of the 14th CPC Central Committee pointed out: "It is necessary to further persist in and improve democratic centralism. Special attention should be paid to systematic construction to apply adequate systems to ensure inner-party democracy, safeguard the Central Committee's authority, and guarantee that the whole party takes unified action on important issues." Democratic centralism is a fundamental organizational and leading system of our party. Whether democratic centralism is implemented well or not has a bearing on the success or failure of the party's cause. Party organizations at all levels and all party members must implement the "Decision" guidelines and strive to contribute to persisting in and improving democratic centralism.

The democratic centralism practiced by our party is a combination of centralism on the basis of democracy and democracy under the guidance of centralism. It is an embodiment and application of the Marxist theory of cognition and the mass line in inner-party political life and organizational building. The democracy in democratic centralism means a full expression of the will and ideas of party members and party organizations and the full play of their enthusiasm and creativeness; centralism means the concentration of the whole party's will and wisdom and its unified action. Comrade Deng Xiaoping pointed out: Democratic centralism is a fundamental system of our party and state. It is also the most convenient and reasonable system that we must never abandon. Historical experience tells us that in persisting in and improving democratic centralism, system construction is particularly of a fundamental, overall, stable, and long-term nature. For this reason, we should seriously study the "Decision" of the Fourth Plenary Session of the 14th CPC Central Committee, sum up experience, and further improve and perfect a series of systems concerning democratic centralism so that it will not change with a change in leaders, their views, or their focus of attention. At the same time, it is necessary to enhance the consciousness and firmness of the whole party, leading cadres in particular, in safeguarding and implementing these systems, to oppose any erroneous tendencies that run counter to or negate democratic centralism, and to prevent individual arbitrary acts and extreme democracy.

It should be especially pointed out that the socialist market economic system is connected with the basic system of socialism, and it aims to enable the market to play a basic role in distributing resources under the state's macroregulation and control. In establishing the socialist market economic system, it is necessary to mobilize all positive factors and give full play to the initiative and creativity of the whole party and the people across the country; it should be done under overall planning, through cooperation and coordination, in an orderly way, and step by step; it requires us to constantly understand and apply objective laws during the course of practice; and it should be standardized and guaranteed with an adequate legal system. All this cannot be separated from the correct leadership exercised by the party and the state in line with democratic centralism. It is wrong to think that developing the socialist market economy can be done without democratic centralism in the party and state leadership systems, or to think that persisting in democratic centralism means a return to the old path of the planned economy.

Democracy and centralism are the two aspects, which depend, condition, and supplement each other, of the unity of democratic centralism. Inner-party democracy's purpose is to realize the party's general program; its point of departure is to guide, protect, and promote initiatives; and it should be carried out in close connection with the functions of party organizations and the rights and obligations of party members. We should develop inner-party democracy at different levels, in many aspects, and through multichannels, while promoting social democracy at the same time. In view of the current situation, the important work points of developing inner-party democracy include: first, it is necessary to realize democratization of policymaking. Party history has proved that errors in policies made without going through democratic procedures and scientific study have greatly harmed the party's cause; therefore, we must make efforts to promote the work for democratizing policymaking. We should adhere to the mass line of from the masses, to the masses. The party's leading bodies should fully respect the initiative of the masses and heed opinions from various quarters in making policies, so that the policies are made in the most careful way. We should set up and improve a policy-making mechanism consisting of leaders, experts, and the masses and gradually improve the policy-making system. Second, it is necessary to safeguard the democratic rights of party organizations and members at various levels. We should do our best to smooth out and widen channels for inner-party democracy, so as to let party members know more about and take a more active part in inner-party affairs. Party members' various rights in democratic participation, elections, policy making, and supervision as stipulated in the party Constitution should not be violated by any organization or individual. It is necessary to formulate regulations on protecting the

rights of party members to enhance their sense of political responsibility and bring out the most in their initiative.

Strengthening centralism based on democracy is a guarantee for implementing the party's line, principles, and policies. Without centralism based on democracy, there would be no correct line, principles, policies, unified understanding, or action in the party; nor could the ultimate aim of giving full scope to democracy be achieved. Centralism means to pool the opinions of all quarters; make correct policies after analyzing, studying, processing, and improving those opinions; and put these policies into effect. To carry out democratic centralism, we must adhere to the following principles: individual party members should be subordinated to party organizations, the minority to the majority, lower-level organizations to higher-level organizations, and party organizations and party members at all levels to the party national congress and Central Committee. Of the four principles, the most important is that the whole party should be subordinated to the Central Committee. History has proved that there must be a firm central leading body that is formed through practice and there must be a core in this leading group. Without such a leading group and core, the party's cause cannot possibly be victorious. The entire party should consciously safeguard the central leading group and its core, for this is a major issue with regard to the implementation of democratic centralism. To guarantee the smooth implementation of the Central Committee's policies and directives and the earnest handling of matters decided by the Central Committee, the whole party should maintain unity with the Central Committee. Of course, we should also bring into full play the initiative of localities by vesting them with corresponding power for economic and social development, so that the implementation of the Central Committee's guidelines and the consideration of local realities are integrated. To implement democratic centralism, it is also necessary to uphold and improve the system of combining collective leadership and division of labor with individual responsibility. All major matters should be deliberated and determined collectively by party committees. Individuals should be bold in assuming responsibility for the work assigned them and oppose the practice of shifting responsibility to others and wrangling back and forth. Improving the system of meetings of democratic life is also a part of establishing the system of democratic centralism. It is necessary to advocate the exchange of ideas, launch criticism and self-criticism, and distinguish right from wrong within the party for strengthening the unity of leading bodies.

Strengthening and improving inner party supervision is an important guarantee for implementing democratic centralism. Inner party supervision is mainly designed to oversee whether or not the party organizations and party members correctly implement the party's line, principles, and policies; whether or not they correctly wield the power given by the people; and whether or not they

strictly observe the rules and regulations of democratic centralism. It is necessary to give full play to the role of discipline inspection organs at all levels with regard to inner-party supervision. Inner-party supervision should be combined with supervision by the people, supervision by the media, and supervision by democratic parties and personages without party affiliation so as to gradually form a powerful supervision system. The emphasis of supervision should be put on the party's leading bodies and leading cadres. Under the new situation of developing the socialist market economy, it is necessary to pay particular attention to preventing corruption among party members and cadres. It is necessary to rely on the party's own strength and the masses' assistance to overcome corruption and ensure the health of the party.

Let us be propelled by the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, apply the principle of democratic centralism in a creative way, and create within the party a political situation in which there are both centralism and democracy, both discipline and freedom, both unity of will and personal ease of mind, and liveliness. Let us bring into full play the enthusiasm of party organizations at all levels and the vast number of party members, strive to attain the party's objectives, and strive to promote reform, opening up, and socialist modernization!

Foreign Ministry Denies Deng Xiaoping in 'Coma'
OW1110123194 Tokyo KYODO in English 1213 GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, Oct. 11 KYODO—The Foreign Ministry denied Tuesday [11 October] press reports from South Korea that veteran leader Deng Xiaoping has fallen into a coma.

"What we know is that comrade Deng Xiaoping's health, at present, is very good," a Foreign Ministry spokesman told reporters.

Deng, who turned 90 Aug. 20, has been repeatedly rumored close to death or dead since late September, when the first such reports were being spread in Hong Kong. The Foreign Ministry has steadfastly dismissed them.

Quoting informed sources in Beijing, South Korea's YONHAP NEWS AGENCY said earlier Tuesday the veteran revolutionary's health has deteriorated rapidly since late last month.

YONHAP said Deng was taken to a military hospital in the Chinese capital for treatment but later lost consciousness due to old age.

He has not regained consciousness and is being kept alive with live-saving equipment such as a respirator, the report said.

Twice, Sept. 26 and Sept. 28, Deng reportedly was in such a critical condition that he only narrowly escaped death.

Government To Prepare for 'Future Death' of Deng

BR1210101894 Paris LE MONDE in French 12 Oct 94
p 7

[Article by special reporter Francis Deron in Beijing: "The Regime Prepares the Population for the Future Death of Deng Xiaoping"]

[FBIS Translated Text] Has Deng Xiaoping, who is 90 years old, already entered a kind of political coma due to a deterioration in his physical health? It is still too soon to say this, but there is little doubt that the Chinese regime's patriarch is experiencing growing problems in ensuring respect for the status quo which he had managed to impose in the perpetual factional struggle in the upper echelons of the country.

One telling sign of the erosion of Deng Xiaoping's influence was the sudden public reappearance on Monday 10 October of great old historical figures who the patriarch had hitherto persuaded not to make public appearances in order to allow the generation of successors to forge a credible political image with a view to his death. Thus, Peng Zhen, an old rival of Mr. Deng, a hardline conservative and two years older than him, appeared on national television gaily parading in a wheelchair to visit a newly opened circular route in the capital, although people had nothing more than a memory of his last appearance a good eight months ago, lying in his pajamas on a hospital bed. The report was immediately followed by pictures of another old leader, although younger this time, Wan Li, an ally of Mr. Deng, visiting an industrial exhibition in the provinces, with the obvious aim of matching the first news item.

Silencing Rumors

These appearances may have the function of trying to silence the persistent rumors about the poor state of health of the old generation of leaders which over the previous two weeks had prompted marked falls in the indexes of the two Chinese neocapitalist stock exchanges in Shanghai and Shenzhen. In a moment of unusual openness, the CHINA DAILY newspaper reported these rumors on 9 October, although this is a taboo subject, but it did not go so far as to explain that these rumors related to Mr. Deng in person and to another of his main rivals—Chen Yun—one year younger than him. Previously, the Foreign Ministry had broken its usual silence to state that Mr. Deng was in perfect health.

Other signs show that the Chinese regime is gently preparing the population for the inevitable announcement of the death of the man it has described as the "great chief architect of the reforms" of the post-Maoist period. A flood of articles published in the official press in recent times show Mr. Deng in his most favorable light, that of promoter of education and patron of the sciences. At the same time, Jiang Zemin, his appointed heir and head of state and of the party, is stepping up his

efforts to portray himself as master of the Army on the occasion of military meetings and visits to barracks. Finally, the regime has for several months been organizing leaks to the sections of the press which it controls in Hong Kong, aimed at giving the impression of a smooth succession thanks to the idea that Mr. Deng has received the assurance of the top military leadership that it would support his heir.

Criticisms and Insinuations

However, Mr. Deng no longer seems to have the energy to prevent a number of critics from expressing themselves in a fairly direct way. For instance, for several months there have been insinuations in the press and in books linking the "unhealthy phenomena" caused by the economic growth to a weakening of the regime's authority. The criticism is naturally directed at the patriarch. A more marked physical decline in him—his last public appearance on 9 February 1994 in Shanghai had shown his growing weakness—would largely explain the paralysis shown by the regime at the recent Central Committee plenum.

In this context, the appearance of an old political enemy like Peng Zhen, who carefully refrained from any show of support at recent leadership meetings or from any gesture of support for Mr. Deng's heir, is a way of showing clear disagreement with the only result achieved by the patriarch, namely the strengthening of Mr. Jiang's influence with the arrival of new colleagues linked with him at the head of the regime. This is a way of showing him that he will also have to reckon with a faction which is not very reformist and that the battle has almost started. Little other than a possible reappearance of Mr. Deng could calm down the situation again. But does he still have the strength for it?

Article Views Resurfacing of 'Gang of Elders'

HK1210033694 Hong Kong SOUTH CHINA
MORNING POST in English 12 Oct 94 p 23

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] While Beijing is swept by rumours about the impending demise of patriarch Deng Xiaoping and his nemesis Chen Yun, the so-called Gang of Elders has been more active than ever. At a time when many grandsons and granddaughters of the revolution are whiling away leisure hours singing Hong Kong and Taiwan tunes in karaoke bars, this stubborn refusal to fade into the darkness perhaps deserves some respect.

This is despite the fact that the "resurfacing" of the octogenarians has again called into question the ability of President Jiang Zemin—the "core of the third-generation leadership"—to steady the ship of state after patriarch Deng's departure.

Moreover, steps taken by the supposedly retired veterans to advance the political fortunes of their children and proteges will exacerbate the post-Deng power struggle. In

an act worthy of Lei Feng, Chairman Mao's "undying screw of the revolution", former National People's Congress [NPC] chairman Peng Zhen toured Beijing's highways last weekend.

The semi-official China News Service described the 92-year-old conservative elder as "clear-headed and quick in his reactions." The surprising "reappearance," which dominated television news on Sunday, was aimed at dispersing rumours that Mr Peng, who used to be in charge of the legal and security apparatus, had been down with terminal cancer and heart disease since 1991.

Mr Peng's gambit, however, would hardly have pleased the Deng Xiaoping faction. The hardline veteran highlighted the fact that he outranked Mr Deng in party seniority. He told Beijing leaders last Saturday that when he became mayor of the capital as the peasant revolutionaries swept into the cities in 1949, Chairman Mao personally instructed him to "do more and talk less".

Equally embarrassing for Mr Deng and his household was the fact that the Chief Architect of Reform had toured the same highways in October 1993. On that occasion, the patriarch was too frail to appear on TV.

Much more disturbing for Mr Deng was the role played by the crypto-Maoist patriarchs Chen Yun, 90, and Song Ping, 77, in the recent elevation of the Shanghai Faction.

This is despite the fact that the putative leader of the Shanghai clique is Mr Jiang, generally considered Mr Deng's handpicked heir apparent. For the past year, Mr Jiang and Shanghai-faction stalwarts such as Wu Bangguo and Huang Ju, respectively the former and incumbent party secretary of Shanghai, have been slavishly lobbying for the support of the Chen camp.

It must not be forgotten that Mr Chen is often regarded as the patron saint of the Shanghai Faction. He was born in the East China metropolis, which became a base for his underground "revolutionary" work before 1949.

Chinese sources said that the 90-year-old politician was comatose in May. And a recent operation largely removed his faculty for speech. However, Mr Chen's conditions had stabilised. His wife Yu Ruomu, a famous dietician, told intimates in the summer that she believed her husband could live to 120.

In the past weeks, Mr Chen has through his household relayed the message that he supported the promotions of Shanghai-faction affiliates because of their ability and political "trustworthiness".

Mr Song, a former member of the Politburo Standing Committee in charge of organisation, is believed to be Mr Chen's henchman. He has helped ensure that the party's third and fourth-generation leaders stay loyal to Mr Chen's ideals of fiscal conservatism and ideological orthodoxy.

Diplomatic analysts said that another politician promoted at the recent Fourth Central Committee Plenum,

Shandong party boss Jiang Chunyun, was close to Mr Chen and his wife. Mr Jiang, who headed a study group on how to combat "peaceful evolution" during a stint in the Central Party School two years ago, has been inducted into the Central Committee Secretariat.

By contrast, party elders in the liberal or moderate wings have been out of the limelight—or have shifted their activities to the provinces. Wan Li, a Deng confidant and a former NPC chairman, did not seem to have played a big role in the recent plenum.

Late last week, the liberal elder toured Nanjing, Jiangsu Province, with a clutch of like-minded cadres including Electronics Minister Hu Qili and economist Wu Xiang. Messrs Hu and Wu were close supporters of former party chiefs Hu Yaobang and Zhao Ziyang. Mr Wan told Jiangsu leaders to pay more attention to education and to "expand the open door policy" but otherwise steered clear of ideological indoctrination.

Likewise, former president Yang Shangkun and his half-brother General Yang Baibing—who had once provided "imperial escort" for Mr Deng's reforms—have been banished. Mr Yang has, since early this year, toured Guangdong, Hainan, the northeastern provinces, and, last week, Shandong. The media, however, have referred to the moderate elder as a mere "comrade". Mr Song on the other hand, has been described as a "senior statesman".

General Yang, a former chief political commissar, did not even show up in meetings associated with the plenum. Sources said the former military strongman, who is still a politburo member, had been forbidden to give speeches or write articles in the national press.

The manoeuvres of the leftist elders have led to the inescapable conclusion that Mr Deng is on the defensive—and unable to do much about it.

Perhaps under the influence of the enemies of the patriarch. The head of the Deng Xiaoping Office, General Wang Ruilin, has come under criticism for power grabbing. Army sources said it was unlikely that the deputy chief political commissar, who was made a full general in June, would be given a senior position in the Central Military Commission (CMC) in the near future.

Last spring, (1994) analysts expected General Wang, who has been Mr Deng's military aide since the 1970's, to be made secretary general of the CMC before the end of this year.

The Deng children have become victims of a campaign of innuendo against their putative business activities. New allegations have been made about the deals struck by the two daughters, Deng Nan and Deng Rong, with the Capital Iron and Steel Works as well as the Daqizhuang conglomerate outside Tianjin.

Eldest son Deng Pufang, the head of the official agency for the handicapped, has also been accused of forcibly

soliciting contributions from local governments to cover the deficits of an international sports event for the disabled last month.

Luo Gan Unveils General Wang Zhen Statue

Video Shows Deng Inscription

OW1210033794 Urumqi Xinjiang Television Network
in Mandarin 1330 GMT 9 Oct 94

[From the "Xinjiang News" program]

[FBIS Translated Text] On 8 October, a ceremony was held at the central square in Shihezi City to unveil a bronze statue of General Wang Zhen, founder of the Xinjiang Production and Construction Corps and the Shihezi reclamation area. Jin Yunhui, deputy secretary of the Xinjiang Autonomous Regional Party Committee and commander of the Xinjiang Production and Construction Corps, presided at the unveiling ceremony.

Unveiling General Wang Zhen's bronze statue amid the warm and lively tune of Nanniwan were Tomur Dawamat, National People's Congress Standing Committee vice chairman; Luo Gan, state councillor and State Council secretary general; and Wang Enmao, former National Committee of the Chinese People's Political Consultative Conference vice chairman and veteran leader of the autonomous region and the production and construction corps. [Video shows long shots of Tomur Dawamat, Luo Gan, and Wang Enmao pulling the red cloth off the structure to unveil a statue]

The bronze statue shows General Wang Zhen, a tall man of powerful build and piercing gaze, holding a pair of binoculars in his right hand and waving his left hand as if he was still commanding thousands upon thousands of horses and soldiers to charge forward, as well as the great battle of stationing troops to open up wasteland and garrison the frontier. Comrade Deng Xiaoping personally wrote the inscription "General Wang Zhen" on the pedestal, on which stands the 3.5-meter-high bronze statue. [Video shows closeup shots of the name "Deng Xiaoping" in calligraphic style, followed by long shots of the statue of a man standing beside a horse with his left hand raised]

Luo Gan, Wang Enmao, and Wang Jiqing, wife of General Wang Zhen, placed flower baskets at the foot of the bronze statue. Leaders of the autonomous regional party and government, and the Xinjiang Production and Construction Corps, including Tomur Dawamat, Wang Lequan, Abdulahat Abdurixit, Amudun Niyaz, Jie Fuping, Fu Bingyao, and Guo Gang also presented flower baskets to show how people of all nationalities in Xinjiang and millions of fighters sent here to reclaim wasteland cherish the memory of General Wang Zhen. [Video shows long shots of Luo Gan, a gray-haired lady, Wang Enmao, and Tomur Dawamat bowing to the statue in turn]

In his speech, Guo Gang, political commissar of the Xinjiang Production and Construction Corps and autonomous regional party committee standing committee member, spoke highly of General Wang Zhen's splendid war exploits and distinguished feats during his lifetime. He pointed out: The farm-reclamation undertakings initiated by General Wang Zhen will become a monument in China's history. Millions of farm-reclaiming fighters from the production and construction corps will carry forward the Army farm reclamation efforts initiated by General Wang Zhen and other revolutionaries of the older generation under the guidance of the party line, principles, and policies.

XINHUA Reports Inscription

OW1110171894 Beijing XINHUA in English 1633
GMT 11 Oct 94

[FBIS Transcribed Text] Urumqi, October 11 (XINHUA)—A bronze statue featuring Wang Zhen, one of the late Chinese revolutionary leaders who helped initiate China's reclamation farms in remote border areas, was unveiled earlier this month in Shihezi, northwest China's Xinjiang Uygur Autonomous Region.

Inscribed with "General Wang Zhen" by Deng Xiaoping, the statue was built to commemorate the 40th anniversary of Xinjiang Production and Construction Corps which Wang helped establish.

Wan Li Inspects Nanjing 6-8 Oct

OW0910141194 Beijing XINHUA in English 1347
GMT 9 Oct 94

[FBIS Transcribed Text] Nanjing, October 9 (XINHUA)—Wan Li, former chairman of the Standing Committee of the National People's Congress (NPC), urged Jiangsu Province and Nanjing City to attach great importance to agriculture, especially grain production as well as quality and efficiency in industrial production.

During an inspection in Nanjing, capital of east China's Jiangsu Province, from October 6 to 8, Wan told the local leaders to lose no time in agricultural specialized production so as to enhance the construction of agriculture modernization.

He also urged the localities to pay close attention to the development of service industry and export-oriented economy. Efforts must be made to stabilize prices in order to maintain social stability, he said.

He told the local leaders to attach great importance to education and solve the practical problems arising in education as the competition next century rests on technology and talented personnels, he added.

Accompanied by Cao Zhi, secretary-general of the NPC Standing Committee, Hu Qili, minister of electronics industry, and Jiangsu provincial officials, Wan inspected Nanjing Panda Electronics Group Corp., the 14th

Research Institute under the Ministry of Electronics Industry and Nanjing University.

Shandong Secretary Pays Respects to Wang Jinshan's Remains

SK0810112294 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 6 Oct 94

[FBIS Translated Excerpt] After failing to respond to any medical treatment, Comrade Wang Jinshan, an outstanding CPC member, a faithful communist fighter, former secretary of the Shandong Provincial CPC Committee, vice chairman of the provincial advisory commission, and chairman of the provincial committee for the aged, died of illness at the age of 79 years in Jinan at 0330 on 30 September 1994.

On the afternoon of 6 October, some provincial leaders, including Jiang Chunyun, Zhao Zhihao, Li Chunting, Han Xikai, Li Zhen, and Lu Maozeng; some veteran comrades of the province, including Su Yiran, Gao Keting, Qin Hezhen, and Li Zichao; representatives of cadres of party and government organizations of the province and Jinan city; some leading comrades of the relevant departments in Hebei Province; and Comrade Wang Jinshan's friends during his lifetime went to the Jinan funeral parlor to pay last respects to his remains and to express sympathy and solicitude for his families.

Jiang Chunyun, member of the political bureau of the CPC Central Committee, member of the secretariat of the CPC Central Committee; and secretary of the Shandong Provincial CPC Committee; and Zhao Zhihao, deputy secretary of the provincial party committee and governor of the provincial government, called on Comrade Wang Jinshan several times at the hospital when he was seriously ill. [passage omitted]

Mao's Daughter Lives Secluded Life in Beijing

HK1210032094 Beijing ZHONGGUO XINWEN SHE in English 1155 GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (CNS)—A news report from the Beijing Youth News [BEIJING QINGNIAN BAO] revealed that Ms. Li Min, the eldest daughter of late Mao Zedong is now leading a secluded life in Beijing and makes few contacts with the outside world.

She is now living in a flat of an old apartment building in Dianmen with small living space and simple furnishings. Pictures of Mao Zedong and He Zizhen who was Li's biological mother are hung against the three walls of the flat. A large portrait of Mao is against the wall of the bedroom with bunches of fresh flowers before the portrait together with an elegiac couplet reading "forever memory". Ms. Li used to pay a regular visit each year to the Chairman Mao Memorial Hall to pay her homage to her father in the past when she was healthy. During the last several years she was rather weak and rarely paid

such visit and instead she made her living room a place in which she did homage to her late father.

Ms. Li often in old-fashioned yellow military uniform is so fragile in recent years and she has heart disease as well as a walking problem which confines her to her home. Her son who works with the Headquarters of the General Staff of the People's Liberation Army and her daughter who is a university student seldom visit her nor does her husband Kong Linghua because of his busy work. Ms. Li leads her own life during these days and the authorities once sent her a cook but rejected by her because she thought she was healthy enough to look after herself. Piled often on the sofa in her flat are a lot of nourishing food which, according to Ms. Li, have been given by people who are concerned about her.

Dissident Chen Ziming Leaves Hospital, Under Watch

OW1110124994 Tokyo KYODO in English 1224 GMT 11 Oct 94

[FBIS Transcribed Excerpt] Shanghai, Oct. 11 KYODO—Prominent Chinese dissident Yang Zhou of Shanghai has been sentenced to three years of reform through labor, his wife Li Guoping said Tuesday [11 October]. [passage omitted]

Meanwhile, Chinese sources in Beijing said leading Chinese dissident Chen Ziming, 42, who was released from prison on medical parole in May, has been discharged from the hospital after undergoing surgery for cancer of the testicles Sept. 5.

Chen has returned to his Beijing home but remains under round-the-clock police watch, the sources said.

Chen's wife, Wang Zhihong, 37, protested in late September to the Ministry of Public Security against the heavy police guard, saying it constitutes "an infringement on the right to live and other fundamental human rights."

She urged a lifting of surveillance, financial support to cover living costs and medical expenses, and that Chen be allowed to make walks in the neighborhood and to receive friends.

Chen, along with fellow political activist Wang Juntao, who was also released earlier this year on medical parole and has since left China, were labeled the "black hands" behind the 1989 pro-democracy movement.

The two formed the Beijing Social and Economic Research Institute in the mid-1980s, which openly promoted political reforms, and were subsequently branded "counterrevolutionaries."

At the time of his release, Chen had served five years of his 13-year sentence for "conspiracy to subvert the government" and other crimes.

The New York-based organizations Human Rights Watch/Asia and Human Rights in China said in a July report that Beijing is tightening the noose on dissidents since Washington unlinked human rights and renewal of China's most-favored-nation trade status.

Two Shanghai Dissidents Get 3-Year Labor Sentences

Police Take Dissidents From Homes

HK1110140994 Hong Kong Television Broadcasts
Limited in English 1200 GMT 11 Oct 94

[From "News" program]

[FBIS Transcribed Text] Chinese authorities have sentenced two prominent Shanghai dissidents to three years each in a labor camp. Bao Ge and Yang Zhou were taken from their homes earlier this year. Their families have just been told about the two men's sentences. Both Bao and Yang were members of the now-defunct Association for Human Rights in Shanghai. Bao was also actively involved in a campaign to get Japan to compensate the Chinese people for its wartime atrocities.

Police Tell Mother of Dissident Bao Ge

HK1110151794 Hong Kong AFP in English 1501 GMT
11 Oct 94

[FBIS Transcribed Text] Beijing, Oct 11 (AFP)—Prominent Chinese dissident, Bao Ge, who was arrested June 3, has been sentenced without trial to three years in a reeducation camp, his mother said Tuesday.

Wang Yefang said police told her that the verdict was passed September 10, and had been described to her as an "administrative decision."

Authorities had charged Bao with conducting a sit-in outside Shanghai's police headquarters in 1993, demanding the release of another dissident, Zhiang Xianliang, also sentenced to three years.

He was also detained for having filed a request this year with Shanghai authorities to officially register a human rights organization in the city.

Dissident's Wife Asks for Early Release

HK1210073694 Hong Kong AFP in English 0721 GMT
12 Oct 94

[FBIS Transcribed Text] Shanghai, Oct 12 (AFP)—The wife of prominent Shanghai dissident Yang Zhou appealed Wednesday for the early release of her husband and two other activists sentenced without trial to three years in re-education camps. Li Guoping also said she would extend a 24-hour hunger strike she began following the announcement Tuesday of the sentences handed down on her husband, Shanghai's most active dissident Bao Ge and pro-democracy activist Yang Qinheng.

"I hope the government will release these people soon and not let this tragedy continue," Li said by telephone. "I will extend my hunger strike by a further 12 hours to raise people's awareness," she said, adding that she also wanted to protest the continued detention of other dissidents whose situation and whereabouts are unknown.

Yang, spokesman for the Shanghai-based Chinese Human Rights Association, had been in police detention for five months before his sentence was finally announced. Police told Li on Tuesday that her husband had been charged with publishing reactionary material and stirring up public unrest.

Sentencings Worry Dissidents

HK1210075694 Hong Kong AFP in English 0748 GMT
12 Oct 94

[By Gilles Campion]

[FBIS Transcribed Text] Beijing, Oct 12 (AFP)—Beijing dissidents reacted anxiously Wednesday after three Shanghai activists were sentenced to three-year terms in a labour camp for their pro-democracy campaigning. Yang Zhou, 50, the spokesman for the Chinese Human Rights Association, Bao Ge, 31, one of China's most active dissidents, and Yang Qinheng, 40, who took part in peaceful pro-democracy demonstrations in Shanghai, were sentenced last month to a camp for "re-education through labour." The decision was made known to their relatives only on Tuesday.

Yang Zhou's wife, Li Guoping, said Wednesday that she would extend until Thursday a protest fast to mark the sentences and the continued detention of other dissidents whose whereabouts are unknown. "I will extend my hunger strike by a further 12 hours to raise people's awareness," Li said. "I hope the government will release these people soon and not let this tragedy continue."

Wang Dan, the 24-year-old former leader of the 1989 student demonstrations in Tiananmen Square, told AFP Wednesday he was afraid that the crackdown would now extend to Beijing. "I protest strongly against these sentences. They are breach of human rights," he said. "The human rights situation in China is getting worse. There could now be further sentences handed out in Beijing, and I am particularly worried for Liu Nianchun and Yuan Hongbin."

Liu, a 46-year-old dissident veteran, disappeared on May 26. His wife, Chu Hailan, contacted by AFP Wednesday, said she was still without news of him. "I do not even know where he is," she said. "I have tried to give the police winter clothes to pass on to him, but they always refuse. All they tell me is that I'll get some news in a few days." Liu and his friend Yuan, a professor of law at the prestigious University of Beijing, helped set up a free trade union, the League for the Protection of the Rights of Working People. Yuan was detained in March.

China's most famous dissident, Wei Jingsheng, was picked up by the police on April 1, and has been held incommunicado ever since.

"What frightens the regime most are the links that the dissidents can forge with the public, many of whom are dissatisfied with some of the effects of economic reforms, such as the closure of loss-making companies," Wang said. "But the government is wrong to sentence pro-democracy campaigners, as they are in favour of maintaining stability. The more they are persecuted, the more their number will increase... we want to make peaceful proposals (for change), follow a democratic path, and not a violent one, and we are not trying to create chaos."

In Hong Kong, the U.S. businessman and human right lobbyist John Kamm said China appeared to resorting to "administrative means" to punish dissidents instead of convicting them for supposed counter-revolutionary crimes. "It is now a situation that instead of convicting people for counter-revolutionary offences, the trend is to sentence dissidents with re-education through labour," he said. Other tactics were to keep dissidents longer in police custody or place them under house arrest, which had the similar goal of silencing critics without attracting attention by holding a trial.

Analysts said there was something interesting in the timing of the Shanghai sentencing, as it coincides with increasingly feverish speculation about political change in China. Deng Xiaoping, 90, is widely rumoured to be fading fast, and the pro-reform and conservative factions of the ruling Communist Party are manoeuvring to promote their champions for succession.

The dissident movement in China has largely changed tack since tanks crushed the student protest movement in June 1989. Activists have shifted their agitation from demands for democratic change to the problems of everyday life for the bulk of China's citizens—housing, employment and working conditions.

Beijing Organizes Consulting Services on Labor Law

OW0910080394 Beijing XINHUA in English 0641
GMT 9 Oct 94

[FBIS Transcribed Text] Beijing, October 9 (XINHUA)—About 1.5 million people across the country today took part in activities to help spread knowledge about the labor law.

Organized by the Ministry of Labor and the All-China Federation of Trade Unions, the activities were organized in 2,000 cities across the country.

Li Peiyao, vice chairman of the Standing Committee of the National People's Congress, Li Boyong, minister of labor, and Zhang Dinghua, vice chairman of the All-China Federation of Trade Unions, showed up in Beijing.

They gave explanations on employment, salary, vacation, labor insurance and professional training, which are so far the utmost concern for Chinese workers.

The minister said that the law which was issued on July 5 will come into force on January 1, 1995.

The law is the first of its kind on adjusting the relations between employees and employers as well as guiding their activities in China.

At present, infringements on workers' rights, including illegally extending working hours, withholding workers' salary and neglecting labor safety protection, are common in some non-state-run sectors, said the minister.

He added that the law has referred to 17 international labor conventions that the Chinese Government joined.

Government Publishes Report on Women's Advancement

Product of 1985 Conference

OW1010025994 Beijing XINHUA in English 0200
GMT 10 Oct 94

[FBIS Transcribed Text] Beijing, October 10 (XINHUA)—China published today for the first time a governmental report on the issue of women: The Report of the People's Republic of China on the Implementation of the Nairobi Forward-Looking Strategies for the Advancement of Women.

"The Nairobi Forward-Looking Strategies for the Advancement of Women" is the product of the Third World Conference on Women which was held in Nairobi, 1985.

It then became a historical global document for improving the status of women, realizing equality, development and peace after it was approved by the United Nations Assembly in the same year.

The about 20,000-character report introduced the progress China has made during the implementation of the Nairobi Forward-Looking Strategies, policies and measures that China has adopted, and goals China sets up for the future.

It says in the introduction part that at present, China enjoys economic growth, political stability, social progress and national unity. This has provided fairly good conditions for women's development and progress.

There have been more and better legislation's at the national level to protect women's rights and interests, and further improvement in the level of women's participation in policy-making and administration.

The report also says that the Chinese Government has established and strengthened national institutions to

raise women's status. An increasing number of women have become employed in an ever expanding range of economic sectors.

Most Chinese women have got rid of poverty and their living standards have improved considerably. Furthermore, the report notes that marked progress has been made in women's health care and education. Chinese women have made important contributions to maintaining social stability and promoting peace for mankind.

The report consists of nine chapters and 11 tables, including power sharing and participation in policy-making by women, national institutions to enhance women's status, recognition of and commitment to the rights and interests of women, help women out of poverty, women's participation in economic affairs, women and development, elimination of violence against women, peace, women and environment.

The 11 tables introduce the size and increase of Chinese work force, employment rate of sexes and ages, employment structure of women, social participation and marriage of women, health care of women and children, women's education status and others.

The report says at the end that it is a long-term task to reach the general objectives of equality, development and peace set forth in the Nairobi Forward-Looking Strategies, but it will help promote and accelerate the realization of these objectives in persistent efforts are made to review and appraise the implementation of the Nairobi Forward-Looking Strategies.

The Chinese Government will continue to take measures to accelerate the full implementation of the Nairobi Forward-Looking Strategies so as to greet the convening of the Fourth World Conference on Women.

The report had been submitted to the United Nations by the Chinese Government in March.

'Facts and Figures' From Report

OW1010110294 Beijing XINHUA in English 0919
GMT 10 Oct 94

[FBIS Transcribed Text] Beijing, October 10 (XINHUA)—The following are some facts and figures taken from China's report on implementing the Nairobi forward-looking strategies for the advancement of women, which was published today:

- There are about 240,000 women serving in the Chinese Armed Forces. Twelve of them are generals, including one lieutenant general.
- Up to 1992, China has trained 290 women pilots.
- There are 21,012 women judges and 4,512 women lawyers in China.
- More than 1,200 Chinese women are working as diplomats.

—There are now 17 women ministers and vice-ministers in the Chinese government. And another 17 Chinese women serve as provincial governors and vice-governors.

—There are 626 women deputies to the National People's Congress, China's parliament.

—China had 20,000 women professors and associate professors at colleges and universities in 1992.

—In 1991, 6,200 Chinese female graduates obtained master's degree while 270 obtained Ph.D.

—China has more than eight million women scientific and technological staff, accounting for 35 percent of the total. Among them, 152 have been given the titles of experts at the national level, and 26 are academicians of the Academy of Sciences of China.

—The average life-expectancy of Chinese women was 71 in 1990, and the fertility rate for Chinese women was 2.31 in the same year.

Commentary Praises 'Women's Liberation'

HK1110124494 Beijing CHINA DAILY in English
11 Oct 94 p 4

["China Daily Commentary": "Women's Liberation"]

[FBIS Transcribed Text] China deems it a great honour to host the United Nations Fourth World Conference on Women in Beijing next year.

Preparations for the grand gathering, scheduled for September, 1995, are already in full swing.

The occasion is also a good opportunity to tell the world about the status of Chinese women today.

Many developments have taken place since the birth of the People's Republic 45 years ago.

The conference will help to accelerate the emancipation of Chinese women and win them real equality with men.

Last June, China published a White Paper on the situation of Chinese women.

And yesterday, another document was released which outlines some of the concrete measures the country has taken to implement the Nairobi Forward Looking Strategy for the Advancement of Women.

With liberation in 1949 and reform in the last 16 years, Chinese women's position in society has improved.

Their status has changed dramatically since the old days of feudal dynasties or before 1949.

The People's Republic seeks to guarantee the basic rights and interests of women primarily through legislation.

Not only does the Constitution lay down equal rights for women, but relevant laws and decrees have also been

adopted to protect women in various ways. And more may be formulated if need be.

More and more women find employment in different fields and have a career of their own. They are no longer merely an appendage to their spouses as in the past.

Special attention is being paid by the government to the education and health care of women so as to make up their long standing disadvantages in physical and intellectual terms.

For historical reasons, women still have a lot of catching up to do until they really equal their male counterparts.

Women still account for a large proportion of adult illiteracy.

And in the job market they are often the ones who suffer discrimination in terms of employment, promotion and wages.

Worst of all, with prostitution raising its ugly head again, women directly fall victim. Kidnapping of women for sale still occurs now and then in out-of-the-way areas.

Chinese women hope to share experiences with their sisters from other countries and fight for equality with men and for the full enjoyment of their legitimate rights and interests in all aspects of social life.

Survey Indicates 'Wealthier' Groups

*OW0810015694 Beijing XINHUA in English 0127
GMT 8 Oct 94*

[FBIS Transcribed Text] Beijing, October 8 (XINHUA)—People in 14 occupations are found wealthier than others in China, according to a survey by the State Planning Commission.

The 14 groups are:

- Share-holders who benefit from profitable stock exchange transactions;
- self-employed people;
- owners of private enterprises;
- famous singers, film stars and dancers;
- heads of newly-created companies;
- managers and contractors in certain companies;
- Chinese management personnel in foreign-funded enterprises;
- lawyers and chefs, and people with other special expertise in a market economy;
- scientific researchers who develop and apply scientific achievements on contract;
- taxi drivers;
- clerks of banks;
- workers in enterprises with high economic efficiency;
- people doing a lot of moonlighting;
- re-employed retired workers.

People of the 14 groups have an annual income ranging from ten thousand to several hundred thousand yuan, the survey said.

Rural Women in Liaoning Move Into Specialized Jobs

*OW1010080494 Beijing XINHUA in English 0727
GMT 10 Oct 94*

[FBIS Transcribed Text] Shenyang, October 10 (XINHUA)—Some 30,000 rural women in northeast China's Liaoning Province have obtained the title of technician specializing in field-crop production, soil management or rural industry.

This means that on an average every village in the province has two women technicians.

The women professionals came into being in a five-year campaign to encourage rural women to raise their education and learn skills.

According to the provincial women's federation, four million women took part in the campaign, in which 2.15 million participants mastered at least two production skills and 340,000 of them could help others with their skills.

To organize the campaign, committees up from the provincial authorities down to the villages were set up to make plans and work out relevant policies.

In the courses offered during the campaign women participants studied scientific farming, animal husbandry, economic management, public relations, foreign languages and home economics.

Now the province has 4,200 specialized villages where women play the leading role.

Government Drafts Law on Occupational Diseases

*HK1210063694 Beijing CHINA DAILY in English
12 Oct 94 p 1*

[By Zhu Baoxia: "State Sets Workers' Health As Top Priority"]

[FBIS Transcribed Text] The central government is stepping up prevention and treatment of occupational diseases and mapping out new measures to protect the health of Chinese workers.

According to the Ministry of Public Health, the state is currently drafting a law on occupational diseases control, which is expected to be discussed and approved by the National People's Congress (NPC) next year.

The law would regulate the behaviour and responsibilities of employers in occupational diseases prevention and control.

It also would give more rights to workers in protecting their own health.

The ministry also plans to launch an investigation into the occupational health status of workers in foreign-funded enterprises between 1996-97.

The health ministry will initiate pilot programmes next year to study feasible policies on occupational disease prevention in small-scale industries, especially in township enterprises, according to Su Zhi, an official in charge of occupational health from the ministry.

Su talked about these plans yesterday at the second meeting of the World Health Organization (WHO) Collaborating Centre in Occupational Health in Beijing.

About 60 officials and experts from over 20 countries and international organizations are attending the three-day event to discuss global situations and application of policies in the field.

A declaration on global occupational diseases control will be formulated at the end of the meeting.

It will call upon all nations and people from all walks of life to participate in the campaign.

Su said the government over the past decades has given top priority to occupational disease control and improvement of workers' health with positive results.

From 1983 to 1991, the central and local governments invested 34 million yuan (\$4 million) to help build occupational health institutes.

At present, there are over 200 occupational health institutes, 60 of which were established by industry.

Over 100 occupational hygienic standards and diagnostic criteria for occupational diseases have been formulated in China in past years.

Statistics from the ministry show that the number of work sites in compliance with national standards has increased from 51.4 per cent in 1986 to 67.5 last year.

The prevalence of occupational diseases has been limited within 0.4 to 0.6 percent, in spite of rapid economic development in recent years.

Silicosis, for example, has been controlled for years in some large state-owned industrial and mining enterprises.

While working conditions in state and urban collectively-run enterprises are improving, Su stressed that occupational health of workers in rural and some foreign-funded enterprises has worsened.

Data showed that some 82.7 percent of rural industrial enterprises had at least one type of occupational hazard in the workplace. One-third of the rural workers are exposed to harmful chemicals, dust, or noise.

Many Seek Advice From Labor Officials, Experts

HK1010065694 Beijing CHINA DAILY in English
10 Oct 94 p 1

[By Cao Min: "Many Seek Labour Law Advisement"]

[FBIS Transcribed Text] Wenlan, a 42-year-old woman, came to the Beijing Workers' Stadium early yesterday morning to seek advice from labour officials and experts about her own experience two months ago.

The stadium was the central site for a day of activities sponsored by the Labour Ministry and the All-China Federation of Trade Unions to publicize China's first Labour Law which will become effective January 1.

Zhao said she was working at a clinic at the China World Trade Centre's Hotel, but lost her job when she handed a medical expense account to the treasurer's office without the approval of her manager.

With tears in her eyes, she asked Beijing Municipal Labour Bureau officials how to protect her legal interest according to the new law.

At another consultative desk, Li Liqing—a saleswoman of Beijing Arts and Crafts Service—accused her employer of embezzling part of her bonus over several months.

The officials comforted her and suggested she submit the case to the local labour arbitration committee.

Like Zhao and Li, thousands of Beijingers visited 18 consultative sites in the capital city's districts and counties yesterday to tell their stories.

Their visits are part of a nationwide publicity campaign for the new Labour Law launched last week. The campaign will continue until the end of the year. Similar activities also were held in more than 2,000 cities across the country.

Labour Minister Li Boyong inspected Beijing's consultative activities yesterday.

He said the most important question is how to enforce the new law because rights and interests of both employees and employers were often infringed upon.

Project Hope Seeks To Educate Rural Children

HK1010070494 Beijing CHINA DAILY in English
10 Oct 94 p 3

[By Gao Anming: "Ray of Hope for Rural Kids"]

[FBIS Transcribed Text] Practical skills should be just as important to rural school-children as reading and writing, Vice-Premier Li Lanqing told reporters on Saturday.

"The main object of rural education is to bring up capable, educated and practical workers," said Li, who is also in charge of education.

The government still needs to seek better elementary schooling for children from remote, poverty-stricken areas, he told 100 journalists, who will investigate Project Hope, an educational scheme carried out in poor, rural areas.

Many of the reporters, including one from CHINA DAILY, are scheduled to leave Beijing today for a 10-day tour of Guizhou Province.

Other journalists will set off for Hunan, Jiangxi and Henan provinces in the next few days.

The news-gathering missions are being organized by the Capital Young Journalists Association and China Youth Development Foundation (CYDF).

Project Hope, a programme sponsored by CYDF, is designed to raise money to educate rural kids, who can't afford the costs of going to school.

By September this year, the programme had assisted 860,000 children from poor families and set up more than 300 "hope primary schools" in 26 provinces.

Li said the State Education Commission fully supported the investigative mission, the largest of its kind in recent years.

He encouraged the young journalists to go to find out how the project was being carried out and then file reports to the public.

He also urged reporters to consider how compulsory education could best be carried out in poor rural areas and feed back their views to the State leadership.

The Vice-Premier said that as only 4 percent of Chinese students can go to college each year, the majority of rural children must face the reality that they are likely to remain in the countryside.

"If a country child only learns how to read and write in school, and can't do farm work as well as his father, will his parents or local leaders support such an educational policy?" Li said.

It is important for the organizers of Project Hope to find a more efficient way of assisting rural children, he said.

The government has asked local army units stationed in remote areas to act as teachers for local children.

He said the military leadership had fully supported the idea and work had already begun in some areas.

In poor areas where there is electricity, the government could fund educational programmes through television, Li said.

But the government has yet to find a practical and economical way of teaching rural kids in areas where electricity is not available.

Official plans urge nine-years compulsory education in 85 percent of rural areas. The State hopes to wipe out adult illiteracy in 95 percent of districts by the year 2000.

Economic & Agricultural

Report Lists Five Key Problems Facing Economy

HK1210031494 Beijing ZHONGGUO XINWEN SHE in English 1350 GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (CNS)—An analysis and forecast report on economic situation of the

fall of 1994 is jointly made public by the State Statistical Bureau and the China Academy of Social Sciences today. The report believes a series of problems are facing the present economic situation in China, and inflation, investment size, the problem of the state-owned enterprises, the problem of agriculture and regional unbalanced developments are in particular more pressing in the course of China's reform and economic progress. They, however, are difficult to be thoroughly solved.

The report believes that the most pressing issue in China at present is soaring inflation, whereas inflation has close relationship with other four problems.

—Relations between agriculture and inflation. The report says that the problem of low agricultural efficiency fails to be settled in a long period. Despite the effort made by the government to solve this problem through raising prices of agricultural products and non-staple products, benefit brought to farmers by this way is soon offset by rise in prices of industrial products and agricultural production means in particular, resulting in comparatively less unfavorable position posed on farmers. For example, purchasing prices for agricultural products and nonstaple products increased by 13.4 percent in 1993, while prices of agricultural production means increased by 14.1 percent at the same time.

—Relations between investment size and inflation. Greater demand and rise in production cost bulge investment size, leading to an inflationary spiral. Analysis on relations between investment and inflation rate in eighties and early nineties shows that whenever the investment rate is higher than 30 percent, hyperinflation will be surly seen one or two years later.

—Relations between the state-owned enterprises and inflation. The state-owned enterprises rely too much on administrative departments and are very backward in management. They are not able to shoulder pressure imposed on them caused by rise in production cost and have to increase prices of their products in order to transfer pressure, thus not only enhancing the total price level but also weakening expected effect brought by price adjustment. In addition, the state has to bear the burden of losses made by state-owned enterprises through public finance, creating another important reason for inflation.

—Relations between regional unbalanced developments and inflation. Unbalanced developments in different regions lead to difference between the local developing policy and the policy of the central government. Regions which have fast economic development want to jump to a new stage and regions which see slow economic development want to catch up with them. Therefore, when contradiction between developing speed and rise in prices occurs, none of these regions wish to slow down their developing speed to safeguard national price control.

The report holds these four problems jointly exert influence on inflation, focusing on the contradiction between the macro management represented by the central government and the nonmacro management represented by the local authorities and enterprises. This contradiction is reflected in sluggish improvement of economic structure, increase in loans of banks imposed by local authorities and enterprises as well as long-existed negative interest rate.

Experts from the State Statistical Bureau and the China Academy of Social Sciences believe that a package of reform measures implemented starting from this year held enhance ability to curb inflation but cannot thoroughly solve deeply-rooted problems which lead to inflation. Therefore, starting from 1995, top priorities should be placed on promoting reform on enterprises and investment system as well as on settling the problems in agriculture, thus hyperinflation might be got rid of.

Expert Says Economy in Process of 'Soft Landing'

OW1110170894 Beijing XINHUA in English 1604
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—Chinese economy is now in the process of soft landing, said Fan Gang, a famous Chinese economist, at a seminar on economic analysis and forecast held here today.

Fan said that China has been steadily slowing down its overdue economic development since the beginning of this year by taking a series of effective macro-control measures.

Fan revealed that Chinese economic development has maintained a high speed after 6 months' steady deceleration in growth rate.

Fan said that the investment growth rate of state-owned enterprises decreased from 70 percent in the first half of last year to below 40 percent in the same period of this year.

He also said that the prices of raw materials dropped a lot in the first half of this year while the foreign exchange reserve^{0??d} the foreign trade surplus made considerable increases.

Based on these facts, he concluded that China has cooled down its overheated economy.

Referring to the thorny price problem, Fan said that the present high prices is due to the accumulation of social demands expansion in the past several years.

He said that the raising of grain prices early this year, which is vital to restructuring China's price system and has long been overlooked, is the major factor causing the overall price rises.

He said that the influence of the grain price raising is now being digested and the influence will gradually wane

in the following two or three months, which is certain to create pre-conditions for stabilizing prices in the following year.

Talking about the above-10-percent high economic growth rate, fan explained that in deciding whether the economy is overheated or not, the growth rate should not be the only basis and the relation between social demands and supplies should be taken into consideration and now on Chinese market, the balance between demand and supply is well kept.

He added that since the beginning of this year, by absorbing large sums of foreign capital, encouraging non-government investment and accelerating local infrastructure constructions, China has liberated lots of its potential productive forces.

"So it is undoubted that the rapid economic development in China is definitely true," said the economist with confidence.

Fan suggested that the central government may adequately adjust its macro-control over the economic development by expanding investments in the country's infrastructure constructions while paying enough attention to the administration.

He considered that the act will neither weaken the effects of macro-control nor "lead to a higher economic growth rate".

Seven Types of National Markets To Be Established

HK0710154194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1024 GMT 19 Sep 94

[FBIS Translated Text] Beijing, 19 Sep (ZHONGGUO TONGXUN SHE)—It is said that by the year 2000, the Chinese Ministry of Internal Trade plans to gradually establish seven types of multilayer, multifunctional, highly efficient, unimpeded, and adjustable national commodity markets that will converge with the international market.

1. The means of production market: A number of additional national wholesale markets for coal, rolled steel, electromechanical products, industrial chemicals, and rubber will be established, and a number of local comprehensive material wholesale markets will be built in open coastal, riverside, and border areas.
2. The paper and pulp wholesale market: Regular paper and pulp exchanges will be opened.
3. The grain market: Another eight regional grain wholesale markets will be established.
4. The cotton market: According to the tentative plan, two state-level cotton exchanges (in Jinan and Shanghai), which have not yet been established during the Eight Five-Year Plan, as well as 50 regional cotton markets, will be built.
5. The sugar market: The existing sugar markets in the south (Guangzhou) and in the north (Tianjin) will be consolidated and perfected.
6. The agricultural means of production market: During the

Eighth Five-Year Plan, three to five large-scale regional wholesale markets, and another 20 or so regional wholesale markets for agricultural means of production will be established. 7. The tea market and the livestock products market: A national tea auction market will be established in a tea-growing area (in Shanghai), and about 10 regional professional tea markets will be developed during the Eighth Five-Year Plan.

Official Outlines Plan To Strengthen Patent Law

*HK1110131194 Beijing CHINA DAILY in English
11 Oct 94 p 9*

[By Wang Xiaozhong: "Stronger Patent Law on the Way"]

[FBIS Transcribed Text] China will revise its Patent Law to strengthen protection of intellectual property rights in the country.

The revised law is expected to increase the severity of penalties by making serious infringements criminal, rather than just civil, offences, a patent official says.

It will also extend patent protection to new plant species, not only the techniques used to create them, said Ming Tinghua, deputy director of the State Patent Office.

Ming said revision of the law has been put on the short-term agendas of the Standing Committee of the National People's Congress, China's legislative body, and the Bureau of Legislative Affairs under the State Council.

The Patent Office is now drafting the revisions, and the amended law is expected to go into effect early next year, Ming told China Daily.

This is the second time China has revised the Patent Law since it was implemented in 1985. The last revision, completed at the beginning of 1993, extended protection to pharmaceutical and chemical products.

Ming said that by the time the new law goes into effect, relevant administrative regulations will also be changed to achieve the principle of "strengthening protective measures and tougher punishments."

The Patent Office has been stepping up its battle against infringements since the State Council called for a nationwide campaign to stamp out violations of intellectual property rights, Ming said.

The office has released two regulations, specifying the methods of cracking down on patent fraud.

But the efforts have focused on enforcing existing laws and regulations, and "the protective forces are comparatively weak," Ming said.

To strengthen enforcement, the Patent Office, in conjunction with the courts, is setting up a training centre for intellectual property rights protection.

The centre, aimed at relieving the serious manpower shortage in the field, has been approved by the State Council.

Although the centre has not been officially opened, hundreds of people have already been trained to handle intellectual property rights issues, Ming said.

The Patent Office is also going to launch an education campaign next year, the 10th anniversary of the country's first law on patent protection.

Designed to make people better understand patent protection, the drive will focus on publicizing the laws and regulations.

"The major targets are enterprises, technological institutions, universities, and trade companies, especially their directors," Ming said.

"We will inform them that patent rights can help them compete in the marketplace."

Ming said it is also important to let the world now that China has made remarkable progress during the short history of its intellectual property rights protection.

Enforcement of Intellectual Property Laws Praised

*HK1110131094 Beijing CHINA DAILY in English
11 Oct 94 p 11*

[By Yi Tu: "Next Major Task Is More Effective Implementation"]

[FBIS Transcribed Text] When there is a law, an old Chinese saying goes, it must be strictly enforced.

After establishing comprehensive laws to protect intellectual property, China is making painstaking efforts to carry them out.

The laws are implemented through a dual-track enforcement system, composed of the people's courts at different levels and the government's administrative departments.

For historical reasons the latter are so far a much stronger force in terms of intellectual property protection.

Maintaining economic order has always been a major concern of the People's Republic of China. Trademark protection started immediately after it was founded.

In June 1950, the government issued Temporary Regulations on Trademark Registration, the spirit of which was to "protect the exclusive use of registered industrial and commercial trademarks."

The regulations were replaced in 1963 by the Regulations on Trademark Administration, which emphasized monitoring product quality through trademark administration.

When the government started its drive to boost economic prosperity in the late 1970s, it soon realized that protecting intellectual property is of great importance for two reasons. It stimulates technological and cultural progress by protecting the lights of innovators, and it promotes market development by keeping economic order.

Fighting against infringements of intellectual property rights is part of the government's effort to protect consumers from poor quality, and even dangerous, goods.

In tandem with State's legislative efforts, the government established an administrative network designed to halt the infringement of intellectual property rights.

Trademark bureaux have been set up within the industry and commerce administrations at all levels of government. The bureaux employ more than 7,000 specialized officials, who are co-operating closely with other departments in handling trademark counterfeiting cases.

According to the white paper on intellectual property rights protection in China, released in June this year, the government now has more than 300,000 people working in the area of trademark administration.

And there are departments in all parts of the country specialized in copyright administration. By the end of 1993, these departments had uncovered more than 150 cases of copyright pirating.

Other government departments have joined the efforts, including justice, public security, foreign trade, culture, publications, science and technology, and customs.

Administrative departments, with their wide networks and strong and experienced staffs, have been relatively successful in their efforts to protect intellectual property. Their actions also tend to be more effective and influential because the departments are deeply and directly involved in economic matters.

As a result, those who think their intellectual property rights have been violated tend to seek help from government departments first. The process is simple and the cost is cheap compared to launching a lawsuit.

When an administrative department receives a complaint, it starts an investigation immediately. Conclusions are reached quickly. If a complaint is founded, it is resolved through mediation or penalties. There is no charge for the service.

Law enforcement departments investigate suspected counterfeiting cases even without complaints by injured parties.

In 1992, the government launched a lengthy nationwide campaign, the so-called Long March of Quality Inspection, to crack down on the production and selling of fake and poor-quality goods.

The campaign was a remarkable success and left a deep and lasting impression. People became aware of intellectual property rights and realized that counterfeiting is against the law.

Since the beginning of the 1990s, the government has been speeding up the pace of reform and opening up. Its objective is to establish a socialist market economy. All this makes it urgent to improve the protection of intellectual property rights.

In July this year, the State Council, the nation's highest executive body, released 11 decisions calling on all departments and localities to strengthen their efforts in this area.

All departments are urged to put intellectual property rights high on their agendas. Protection should be extended to both domestic and overseas right holders. Regional interests must not be put above property rights, and local governments are urged to develop an understanding of the issue.

Preferential policies will be offered to help sectors that could be hard hit by the shift, such as the pharmaceutical, chemical and computer software industries.

To reinforce the decisions, the State Council will organize joint actions of all departments and regions to monitor the enforcement of intellectual property laws. Immediate, comprehensive measures will be taken to "clean" the markets of pirated phonogram products and computer software.

To ensure smooth implementation of the decisions, State Councillor Song Jian arranged a national telephone conference at the end of July. Song called for powerful attacks in areas where intellectual property protection was neglected and violations are severe.

As effective protection of intellectual property in China requires cooperation among all governments and with legislative and judicial bodies, the State Council set up the Executive Conference for Intellectual Property Rights Protection in August, a co-ordinating body of all the departments concerned. Corresponding bodies are expected to be set up at the local level.

This will mark the beginning of a new period, as lack of co-operation has been a big difficulty affecting the efficiency of past measures.

Conference To Study PRC Maritime Code

HK1210063994 Beijing CHINA DAILY in English
12 Oct 94 p 3

[By Xie Yicheng: "Refined Shipping Regulations on Deck"]

[FBIS Transcribed Text] Shanghai—Though the shipping industry is experiencing vibrant growth, sound legal protection and in-depth exchanges with foreign nations are needed, a high-ranking official said yesterday.

Addressing the opening of an international conference on maritime law, Zheng Guangdi, vice-minister of communications, expressed China's resolve to "equal world shipping legislation."

About 300 scholars and lawyers from the United States, Britain, Sweden, the Chinese mainland, and Taiwan attended the conference at Shanghai Maritime University.

"China enjoys a brisk shipping business," Zheng said. "Its merchant fleet now ranks ninth worldwide in terms of gross tonnage shipping to over 1,100 harbours throughout 150-odd countries and regions."

This creates a strong need for well formulated laws to regulate commerce and secure the legitimate rights of all parties concerned, he said.

The 178-article Maritime Code of China, originally drafted in the 1950's but not officially put into effect until July 1993, has received praise from home and abroad as an advanced law, the vice-minister said.

Duanmu Zheng, vice president of the People's Supreme Court, termed the code "a powerful boost to ocean shipping and foreign trade."

He said that nine maritime courts have been set up since 1984. As of June, these courts have handled 7,716 marine cases involving 2.85 billion yuan (\$334 million).

The Ministry of Communications is also working on a series of laws concerning harbours, vessels, marine crews, and navigational channels to suit impending reform on port and shipping management, officials said at the meeting.

Participants will hold five days of discussions in this shipping hub to evaluate the 1-year-old Maritime Code and delve into the challenge of how to perfect and unify maritime laws.

Asia's Longest Submarine Pipeline Nears Completion

OW1110170594 Beijing XINHUA in English 1543 GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—Asia's longest submarine natural gas pipeline linking YZ 13-1, China's biggest offshore gas field so far, and Hong Kong and the Hainan Island, is near completion.

According to officials of the China National Offshore Oil Corporation (CNOOC), its construction would ensure that the supply of natural gas to the two places starts on January 1, 1996.

The last part of the project—laying 71-kilometer submarine pipeline from the mouth of the Pearl River to Hong Kong, is expected to end on October 20.

This will bring the total length of the line to 778 kilometers, ranking first in Asia and second in the world.

The main part of the line, 707 kilometers in length, had been successfully laid by May 7 this year, one month ahead of schedule, CNOOC said.

Meanwhile, the 91-kilometer pipeline from YZ 13-1 to the Hainan Island has been completed, it added.

The natural gas field was discovered in 1983 through joint exploration carried out by Chinese and U.S. experts. With an area of 50 square kilometers, the field has a proven deposit of natural gas of 100 billion cubic meters.

Development investment for the field is estimated at 1.2 billion U.S. dollars and its annual production will top 3.4 billion cu m, according to experts.

Of the total, 2.9 billion cu m of natural gas will be sent to Hong Kong for power generation and the remaining will be channeled to the Hainan Island.

The project of laying the Asia's longest submarine natural gas pipeline was contracted jointly by Italy's Saipem Company and the European Marine Engineering Company EMC.

Academy Predicts 11-12 Percent Growth in GDP

HK1210063894 Beijing CHINA DAILY in English 12 Oct 94 p 2

[By Wu Yunhe: "GDP Growth Predicted To Hit 12 Percent by End of Year"]

[FBIS Transcribed Text] China's gross domestic product (GDP) will have grown between 11 and 12 percent by the end of this year, the China Academy of Social Sciences (CASS) has predicted.

At an economy forecast meeting held yesterday in Beijing, economists noted in the Autumn Report that the national economy has maintained fast growth this year while registering a smooth slowdown from the overheated status during the previous two years.

They predicted that rural and urban incomes are expected to surpass prices this year.

The inflation-adjusted growth of rural per capita income may reach 5 percent, while urban residents will earn 7 percent more than last year, after inflation is taken into account.

This year, the annual growth of the retail prices will be 19.5 percent and consumer prices will hit year-on-year growth of 21 percent.

The report also includes development figures for sectors including agriculture, industries, services, fixed assets investment, foreign trade, and bank savings.

Gross agriculture output value is expected to grow by 4.2 percent this year.

Annual manufacturing and construction growth is expected to be 16 percent and 11 percent, respectively.

The development of the service sectors which has been driven by the central government, will see a yearly growth of 8 percent.

Meanwhile, fixed assets investment will hit 1,550 billion yuan (\$180.2 billion) this year, up 31.4 percent. But when inflation is taken into account, the growth will be only 18.3 percent.

Bank savings will also witness an annual growth of 38.9 percent to hit 500 billion yuan (\$58 billion).

But economists pointed out the country should be fully aware of the swelling inflation, which is very much linked to the problems in agriculture, fixed assets investment, state enterprises, and unbalanced economic development between regions.

Inflation may reach 19.5 percent this year, which represents a severe test for the state.

However, economists predicted that with the government's current measures and reforms taking effect, inflation could be brought down to 13 percent next year.

The growing inflation is, to some extent, fueled by price reform, the foreign exchange rate, taxes, and skyrocketing agricultural prices.

Economists and officials with GASS, the State Statistics Bureau, and the State Development Research Centre and other departments attended the meeting.

XINHUA Releases 3d Quarter Economic Figures

OW1110132794 Beijing XINHUA in English 1307
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—China's industrial production continued to gear up in the third quarter this year, coupled with a gradually improving economic efficiency.

The State Statistics Bureau announced today that the nation's industrial added value reached 405.5 billion yuan during the past three months, representing an increase of 18.1 percent over the same period of last year.

The figure was 2.6 percentage points and 1.7 percentage points higher than those for the first and second quarters respectively.

Cumulative figures indicated that the industrial added value totaled 1,155.8 billion yuan in the first nine months this year, up 16.6 percent from the same period of last year.

The Bureau said that with the consumer market booming, the industrial sales volume reached 1,004.7 billion yuan in the third quarter this year, 23.2 percent higher over a year ago.

The sales rate of industrial produces was 93.93 percent nationwide during the quarter, according to the statistics.

For the first eight months this year, the index of industrial economic efficiency climbed 0.51 percentage points to reach 97.14, which was 0.76 percentage points higher than the first half this year.

As the sales rate and overall profitability rose, the number of loss-making firms was reduced during the period, the bureau said without releasing exact figures.

Crude Oil Output Reaches 108 Million Tons

OW1210080194 Beijing XINHUA in English 0731
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—China slightly increased its crude oil and natural gas output in the first nine months of this year, with crude output reaching 108 million tons and natural gas 12 billion cubic meters.

According to the latest statistics from the China National Petroleum Corporation (CNPC), China's onshore crude oil output in the first three quarters hit 104 million tons, fulfilling 75 percent of the whole year's plan.

And its natural gas output amounted to 11.7 billion cu m, completing 76 percent of the target for this year.

The China National Offshore Oil Corporation (CNOOC) revealed that China's offshore crude and natural gas output in the January-September period topped 4.67 million tons and 270 million cu m respectively, with both figures exceeding the totals for the whole of last year.

CNOOC said offshore crude oil output for the whole year is expected to reach 6 million tons.

CNPC officials said the strategy of "stabilizing oil output in the east of China while enhancing development in the western part" has reaped its initial success.

Oil production in large oil fields in eastern China, such as Daqing, Huabei and Liaohe, remained roughly on the same level as last year whereas those in the western part, including Turfan-Harmi and Tarim, recorded a 20-percent increase.

Meanwhile, China's oil export reached 14 million tons in the first three quarters of this year, CNPC said. The projected figure for this year is 19 million tons.

CNPC said the investment in the onshore oil industry totalled 35 billion yuan (about 4.01 U.S. dollars) in the first nine months, resulting in an increase of seven million tons in China's annual crude production capacity.

Coal Output Increases 5.7% Over 1993

OW1210101294 Beijing XINHUA in English 0924
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—China's coal output in the first three quarters of

this year reached nearly 830 million tons, a 5.7 percent increase over the same period of last year.

According to the Ministry of Coal Industry today, in the previous nine months, the state-owned key mines produced over 350 million tons of coal, 1.9 percent more than the preceding year.

Meanwhile, local and township mines across the country turned out a total of 470 million tons of coal, a nine percent growth over the corresponding period of last year.

China lifted its control over coal prices at the beginning of this year. Since then, sluggish demand has kept coal prices stable on domestic markets, said an official from the Coal Ministry.

It was not until August that the prices of high-quality coal began to show a slight recovery but those of average-quality coal remained in the doldrums.

The ministry official said that all major coal mines had to limit their output to tally with market demand and railway transport capacity.

Meanwhile, China's coal export registered a sharp rise to hit 16 million tons by the end of September this year and the whole year's export volume is expected to top 21 million tons, the ministry said.

Statistics showed that China's washed coal output reached 49 million tons, five percent more than in the same period of last year.

Coal production of the whole year is projected at 1.16 billion tons, 20 million tons more than last year.

Foreign Trade Increases Rapidly

OW1210155494 Beijing XINHUA in English 1531
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—China's total export and import volume in the first three quarters of the year reached 157.5 billion U.S. dollars, which represents an increase of 22.1 percent over the same period last year, according to China customs.

Among the total foreign trade volume, export volume came up to 79.44 billion U.S. dollars, a rise of 29.7 percent while import reached 78.06 billion U.S. dollars, rising by 15.2 percent with a surplus of 1.38 billion U.S. dollars.

Statistics from the customs office shows that the first half of the year is marked by increasingly larger growth rate of export while export growth slowed down in the third quarter. Last year's trade deficit has gradually changed to trade surplus.

With the unification of foreign currency exchange rate, China's export growth rate was accelerated month by

month with the growth rate hitting 35.7 percent in July, followed by a decline in August and further slowdown in September.

In September, China imported 9.62 billion U.S. dollar-worth of products, falling by 3.5 percent compared with the same period last year. China saw 12.19 billion U.S. dollars in trade deficit last year, but the first eight months this year witnessed a surplus of 103 million U.S. dollars. Trade surplus amounted to 1.38 billion U.S. dollars by the end of September.

According to the customs, the quality of China's export products improved while the export of finished industrial products kept growing. In the first three quarters of the year, China exported 66.34 billion U.S. dollars-worth of finished industrial products, a rise of 33 percent.

The percentage of finished industrial products made up 81.4 percent in the total export volume in the first nine months last year but the figure jumped to 83.5 percent this year.

On the contrary, the growth rate of import of finished industrial products is slower compared with that of primary products, the customs said.

In the first nine months of the year, China imported 67.89 billion U.S. dollars-worth of finished industrial products, a rise of 14.8 percent. The percentage in the total import volume declined from 87.3 to 87.

Meanwhile, the export of general trade products soared while their import declined. The export and import of processed products reported a steady growth while barter trade volume declined.

According to the customs office, the export and import of foreign-funded enterprises are still leading China's foreign trade. But the growth rate has slowed down. The trade volume with all major trading partners has registered an increase except Russia.

The statistics also show that China achieved a steady growth in the export of traditional products, especially machinery and electronics products. The largest import products falls in such sectors as telecommunications, transportation vehicles and electronics and raw materials. The import of plywood, motor vehicles and steel, which used to dominate China's import commodities, has decreased.

More Export Commodity Quotas To Be Publicly Bid

HK1210033294 Beijing ZHONGGUO XINWEN SHE
in English 1218 GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (CNS)—According to the Ministry of Foreign Trade and Economic Cooperation, in order to encourage competition, another batch of commodities' quotas for export are planned to be bid publicly in China next year.

Some eleven varieties of commodities will be newly added on the list of commodities with their quotas for export being bid publicly including cashmere, licorice root, cement, paraffin wax, carpet, plain white cloth made of cotton-polyester fibre and peppermint oil.

China has this year already put thirteen kinds of commodities' quotas for export under public bidding and there are still sixteen varieties of particularly important commodities for export under strict control through quota management in the country. They include rice, soybean, petroleum, cotton, coal and some minerals.

Sources from the Ministry says that the public quota-bidding practice is an important part of the reform of foreign trade system in the country and any company without such quotas will not be allowed to engage in foreign trade business in the future. Some cases discovered in the past showed that this kind of quotas allocated in line with government's executive orders had become one of the main factors leading to governmental officials' corruption. There has been such a phenomenon in the country that those unqualified companies are able to obtain such quotas through illegal means including bribery while qualified ones can not get such quotas.

It is reported that the function of monitoring the public quota-bidding process has been transferred from the Ministry to trade chambers of commerce.

Plan To Boost Electronics, Machinery Exports

HK1110124294 Beijing CHINA DAILY in English
11 Oct 94 p 2

[By Pei Jianfeng: "Ambitious Export Plan Shoots For \$150 Billion"]

[FBIS Transcribed Text] In an effort to boost exports of the country's electronics and machinery products to \$150 billion by the year 2010, China has worked out a three-stage export plan. The plan aims to bring exports to \$30 billion in 1995 and \$60 billion in the year 2000 before hitting \$150 billion in the first decade of the next century.

Exports of electronics and machinery this year will reach \$26 billion, representing \$3.3 billion increase from last year's \$22.7 billion.

Expanding exports is key to the development of China's machinery and electronics industries, officials with the Ministry of Machinery Industry said.

Only when Chinese companies can compete on the world market can they keep a lock on the domestic market, the officials said.

If domestic companies dare not enter the world market, they will also lose the home one, they warned.

During the first half of the year, China's exports and imports of machinery and electronics reached \$36.96 billion, accounting for 37.87 per cent of the country's total foreign trade.

Exports amounted to \$11.98 billion, up 36.5 percent from the same period last year, according to statistics from the General Administration of Customs.

At the same time, imports hit \$24.98 billion, accounting for 50.78 per cent of the country's total imports.

The fact that imports far exceed exports shows that China's machinery and electronic products still lack competitiveness on the world market, said officials.

In the first six months, exports of foreign-funded enterprises soared by 69.12 per cent to hit \$4.9 billion, or 41 per cent of total exports.

But 94.2 per cent of the exports by foreign-funded enterprises are products made with imported materials.

Coastal provinces and cities are China's major exporters of machinery and electronic products. Guangdong Province contributes about 62.1 per cent of the country's exports, while Shanghai accounts for 6.2 per cent and Beijing for 5.6 per cent.

However, the growth of exports in inland areas is far higher than coastal regions, said officials.

Chengdu witnessed a growth of 301 per cent, Xian 233 per cent and Wuhan 166 per cent.

China exports 47 major kinds of machinery and electronic goods.

There are 22 kinds of products whose exports exceeded \$100 million in the first half of the year. Seven of them, including ships, containers, magnetic tape, calculators and electrical wires and cables, edged onto the list for the first time.

But exports of auto components, textile machines and colour and black-and-white TVs declined during the first six months.

Exports of colour TVs dropped by 20.9 per cent in number and 24.9 per cent in value.

China's machinery and electronic products are exported to 210 countries and regions. Hong Kong is China's largest export market, importing \$3 billion worth of products in the first six months.

The United States ranked second, importing \$2.85 billion worth of machinery and electronic products.

Japan is still China's largest trading partner for machinery and electronic products, though. It exported \$7.26 billion worth of products to China and imported \$1.33 billion in the first half.

Currently, more than 14,000 companies in China—over 50 per cent of which are foreign-funded enterprises—are engaged in machinery and electronics trade.

Foreign Investment Boosts Gold Production*HK1210061294 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1151 GMT 22 Sep 94*

["Special article" by reporter Si Liang (1835 5328): "Mainland China Speeds Up Gold Production by Introducing Foreign Investment in the Exploitation of Mines"]

[FBIS Translated Text] Hong Kong, 22 Sep (ZHONGGUO TONGXUN SHE)—Since July this year, when the Chinese authorities announced that foreign investors were allowed to participate in exploiting gold resources, the pertinent authorities have selected a dozen gold mines in Shandong, Yunnan, Guizhou, Guangxi, Guangdong, Sichuan, and Gansu where foreign investors may cooperate in exploiting the resources. China recently announced its cooperation with Australia in establishing a project to process gold tailings in Yindong, Nanyang, Henan. China also is discussing with Canada the exploitation of the Paishanlou gold mine in Fuxin, Liaoning. These projects have raised the curtain on the mainland's endeavor to process and exploit gold resources using foreign capital.

China is the sixth-largest gold-producing country in the world. Over the past 14 years, gold output has increased by more than 10 percent every year. According to unofficial statistics, China's annual gold output is approximately 90 tonnes, and the present reserves exceed 400 tonnes.

The structure of China's gold industry also is changing along with its economic structural reform. In September last year, China's gold-purchase price was converged with the international market, which has created conditions for mining gold with foreign capital. The authorities recently announced the abolition of the State Gold Administration, and the setting up of the China Gold Corporation under the leadership of the Ministry of Metallurgical Industry. The annual gold output from the gold mines under its command accounts for 20 percent of the nation's total. The gold corporation has a legal person status, and is a group company of the gold trade which operates independently, assumes sole responsibilities for its own profits and losses, and keeps a separate account. In this way, China has changed the previous management system of combining the administrative functions of the government with those of enterprises. The Ministry of Metallurgical Industry has vested China Gold Corporation with the power to absorb foreign capital to exploit gold resources. A special leading group has been set up by the gold corporation to take charge of organizing and coordinating the import of foreign capital, technology, and equipment for the exploitation of gold resources in mainland China.

Foreign investors have responded enthusiastically to China's decision to open gold industry to the outside world, and scores of companies from the United States, Canada, Australia, South Africa, the Republic of Korea,

and other countries and regions have expressed their interest in investing in China's gold mines, and have had talks with relevant departments. It has been reported that relevant departments have provided foreign businessmen who are interested in cooperation with information concerning the gold mines, including Lannigou of Guizhou Province, Jinya of Guangxi Province, Donggualin of Yunnan Province, and so on. Many foreign businessmen have conducted on-the-spot observations in the gold mines, and some companies have started to make feasibility surveys of pertinent projects.

With regard to the trial measures for foreign participation in the exploitation of low-grade gold ore that is difficult to dress and smelt, they have recently been put into effect with the State Council's approval. This move indicates that China has officially begun to import foreign capital for its gold industry. However, foreign investors are not now permitted to develop gold mines exclusively, except for making cooperative exploitation of the verified low-grade gold ore that is difficult to dress and smelt within a certain scope and limitation.

According to an official from the Gold Management Bureau under the Ministry of Metallurgical Industry, the concrete implementation plan for foreign participation in exploiting gold resources in China also calls for the foreign investors to possess advanced technology and equipment, as well as a reliable source of funds and a reputation for exploiting gold resources, apart from explicit stipulations on the scope of exploitation. As for the principle of cooperation and the mode of importing foreign capital for the experimental gold mines, the Chinese side will make its financial contribution in the form of funds, mine resources, land use rights, supplementary equipments, and living facilities, while the foreign investors can take funds, industrial property rights, and special techniques and equipment as their investment contributions. However, their equity participation cannot go to the extent of giving them control over the mines' operations. Foreign investors for the cooperative exploitation of gold resources are not allowed to take gold out of the territory, and the gold products turned out from the jointly owned gold enterprises must be sold entirely to the People's Bank of China, though profits and legitimate income of the foreign investors will be allowed to be remitted abroad. The period of cooperation will be determined in accordance with the characteristics and years of service of specific mines. After the term expires, all the assets of the mines should belong to the Chinese side.

China and Canada are discussing the possibility of jointly exploiting the gold resources in Paishanlou of Fuxin City, Liaoning Province, and of building it into the largest modern mine with the highest output in Asia. The total investment amount will exceed 1 billion yuan. As verified, the Paishanlou gold mine has gold reserves of nearly 50 tonnes, which is a large gold mine rarely found in China. Originally, China planned to open up the mine with its own design, with a total investment

amount of 500 million yuan. Later, Canada showed an interest in investing. As a result, the mining equipment and scope have been upgraded, and it is estimated that the total investment amount will exceed 1 billion yuan. The construction period is three years.

It has been learned that in order to develop gold production, the Chinese authorities will invest 1.66 billion yuan in the capital construction and technical transformation of gold industry this year. No doubt, China's importing foreign capital to exploit gold resources will accelerate the pace of development in the gold industry.

Power Industry Introduces Foreign Capital

HK1210134394 Beijing ZHONGGUO XINWEN SHE
in English 0802 GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (CNS)—According to the Ministry of Power Industry, China's electricity-generation industry had introduced a total contracted sum of US\$14.331 billion foreign capital in the 15 years from 1979 to 1993.

China has so far made use of loans from the World Bank and foreign governments of Japan, Russia, the U.S., France and Italy for the construction of 63 items of hydroelectric plants, coal-fired power plants, nuclear power plants, power transmission and power transformation. The total capacity of this batch of items is put at 40 million kilowatts. Of these, 31, with a total investment of US\$476 million, have gone into operation. And some 352 sets of foreign equipment with a total capacity of 19.19 million kilowatts for hydro and coal-fired power generation have been introduced, making up 12.3 percent of the total capacity of power-generation facilities of 6,000 kilowatts and above built during the same period in the country.

In addition, the Kuwait Fund and French Government mixed loans were also introduced to construct the Shaxikou Hydroelectric Station and a hydropower plant in Guangzhou. Two sets of 900,000 kilowatt power-generation units at the Daya Bay Nuclear Power Plant, a Mainland-Hong Kong jointly-funded item in Guangdong Province, will be put into service within this year.

At present, over 100 foreign-funded enterprises of various kinds have been set up in the power-generation sector in the country.

Service Market To Be Opened Wider to Foreigners

HK1210051994 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 0909 GMT 1 Sep 94

[FBIS Translated Text] Beijing, 1 September (ZHONGGUO TONGXUN SHE)—It is understood that China will further open up its service market and allow foreign investors to take part in the development of the service trade.

The banking sector: China will allow foreign investors to set up in Shanghai, Shenzhen, and Zhuhai, either Sino-foreign joint-venture financial companies, solely funded companies, or joint-venture or solely funded banks. These banks and financial institutions can run renminbi business only with the approval of the departments concerned.

The insurance sector: It will be opened up conditionally. At present, only Shanghai is allowed to run Sino-foreign joint-venture insurance companies, but every joint-venture party should have a history of 30 years; have its office established in China for three years; and have over \$5 billion in assets a year before its application. Its scope of business covers depositing money in Chinese financial institutions; purchasing government, enterprise, and financial bonds; extending credits in foreign currencies to borrowers; investing in stocks; and running other types of business authorized by the People's Bank of China.

Accounting and auditing services: Foreign investors will be allowed to invest in economically developed areas, in the form of cooperative business operations with the Chinese accounting and auditing sector. Moreover, every foreign party must satisfy the following conditions: It must have no less than 10,000 full-time employees and no less than \$1 billion in annual business income.

Medical services: Overseas institutions will be allowed, in accordance with actual needs, to establish joint-venture hospitals in an experimental form, but most of the medical personnel should be Chinese nationals, and their own efforts are needed to achieve a balance of payments in foreign currencies.

The advertising industry: China does not allow foreign businessmen to run solely funded advertising firms, but it allows them to set up joint-venture companies. Foreign parties must satisfy the following conditions: They must be corporate enterprises mainly running advertising business, and also have advanced technology, equipment, and management experience.

The petroleum industry and related services: Foreign investors are allowed, in the form of Sino-foreign cooperation, to go in for services of the coastal petroleum industry, such as scientific and technological consultation and geological prospecting. Foreign-party enterprises should meet the requirements of the Notice on the Registration of Foreign Companies Taking Part in Joint Development Activities and Contract Projects in China, and that of the Chinese side's papers for inviting tenders. Foreign enterprises are allowed to exploit petroleum in zones designated by the Chinese Government in cooperation with the National Petroleum Development Corporation.

The real estate industry and the architectural engineering industry: Foreign businessmen are allowed, in the form of joint ventures, to invest in real estate and to set up

engineering design companies, but they are not allowed to establish professional building companies.

Transport services: Foreign investors are allowed, in the form of joint ventures, to engage in freight and shipping agent business. In accordance with needs, they also can be allowed to set up Sino-foreign joint-venture companies to run highway transport business.

Commercial retail business and trade: At present, it has been agreed that two joint-venture commercial retail enterprises will operate on an experimental basis in Beijing, Shanghai, Tianjin, Guangzhou, Dalian, Qingdao, and five special economic zones. A total of 10 projects in the above areas has been approved.

The foreign trade sector: China has decided to allow foreign businessmen to engage in entrepot trade inside the bonded zone of the Shanghai Pudong New Area, and to act as import and export business agents for foreign-invested enterprises in the zone.

In addition, China also allows foreign businessmen to invest in the following service sectors in the form of joint ventures: Technical inspection, analysis services, and related scientific and technological consultation, and equipment maintenance; adequate and systematic services related to agriculture, forestry, animal husbandry, and fisheries; and computer system design, programming, data processing, and services for input readiness.

Progress Seen in Opening Service Area

HK1010055494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 9-15 Oct 94 p 1

[By Jin Man: "Progress In Service Sector Is Significant"]

[FBIS Transcribed Text] China has made substantial progress in opening its service market to overseas businesses despite difficulties it faces as a developing country, a senior trade official said.

In the new offer to the General Agreement on Tariffs and Trade (GATT) China has, for the first time, swung the door wide open in such sectors as telecommunications, civil aviation, and travel agencies.

In addition, "China has deepened opening of many service sectors that have already allowed extensive foreign penetration," said an official from the Ministry of Foreign Trade and Economic Cooperation.

"All this demonstrates our sincerity and readiness to open the markets wider."

He called attention to the fact that China is still a developing country whose service trade accounts for 29 per cent of the national economy, employing only 20 per cent of China's workforce.

Both figures suggest that China's service trade has a long way to go to meet international developed standards, like those of the United States.

"As our service trade develops, its markets will be further opened to the outside world," the foreign trade official said.

Since 1992, China has negotiated with the United States on opening China's service markets under the framework of the General Agreement on Trade in Services.

The United States has shown tremendous interest in penetrating China's insurance, finance, telecommunications, and retail sales markets.

And China has pledged to open the markets in line with its status as a developing country.

In fact, China had promised to open its service markets wider during the Uruguay Round of GATT talks on trade in services which also include shipping, banking, advertising, oil exploration, and construction.

Foreign businesses can now set up joint-venture hotels in China and foreign travel agencies can set up joint-venture agencies in the nation's 12 holiday resorts.

Foreign companies are also permitted to launch joint ventures in the major cities of Beijing, Shanghai, Guangzhou, Qingdao, Dalian, and Tianjin.

And they can set up joint-venture retail shops in the five special economic zones in Guangdong, Hainan, and Fujian provinces.

In 1992, the Ministry of Communications began permitting foreign shipping companies to set up wholly foreign-owned or Sino-foreign joint ventures to ship export and import goods.

U.S.-based ALP [as published] Shipping Company has launched a wholly-owned subsidiary firm in China. Kawasaki Company of Japan and Zim Company of Israel have opened representative offices in China.

Foreign firms are also permitted to invest in airport facilities and set up joint-venture airlines in China.

Foreign accounting and law firms can operate in China under certain conditions.

Foreign banks can branch out in 13 cities; recent news indicates that some inland cities will be added to the list.

U.S. AIG has set up a branch in Shanghai to conduct insurance business. So far, foreign insurance companies have opened 70 offices in China.

The Chinese insurance market is expected to grow at an annual rate of 25 percent before the end of the century. Turnover is expected to total \$40 billion over the next decade, according to a recent Xinhua report.

China's international service trade was \$29.4 billion in 1993, five times the amount in 1982.

However, China's service sector remains underdeveloped. In 1993, international service trade accounted for

5.4 percent of China's gross domestic product, far below the world average of 22.3 percent.

International Textile Machinery Exhibition Opens
HK0710113794 Beijing CHINA DAILY in English
7 Oct 94 p 2

[By Qiu Qi: "Machinery Exhibit Boosts Efforts To Upgrade Textiles"]

[FBIS Transcribed Text] China's largest-ever gathering of global textile machinery manufacturers opened yesterday in Beijing, marking the nation's key position in the trade.

The 5th China International Textile Machinery Exhibition will give a strong push to the on-going upgrading of technology and equipment in the textile industry, which is crucial for restructuring the traditional sector, said Ren Chuanjun, vice-chairman of China National Textile Council.

During the next four years, the country plans to replace 10 million outdated spindles with new and advanced equipment.

Attracting more than 800 companies from 22 countries and regions, the fair is also expected to promote China's technological exchanges and trade ties with foreign textile machinery counterparts, Ren said.

Last year, China imported \$4.5 billion worth of textile machinery to expand the production of high-tech and high value-added textile products. The figure is up 37 percent from the previous year and is expected to grow in the years to come.

Ranked among the world's four major textile machinery exhibitions, the seven-day event displays more than 800 sets of spinning, weaving, bleaching, dyeing, printing and finishing machines.

Exhibitors at the fair include 80 firms from Germany, the world's leading textile machinery manufacturer and exporter with one-third of the world's textile machine exports.

As demands from Asia increase, the fair has become an important chance for Germany to expand trade with China, its second-largest textile machinery trade partner after the United States, said Thomas Waldmann, managing director of the German Machinery and Plant Manufacturers Association.

Last year, China accounted for 10.8 percent of Germany's total textile machinery exports, while the U.S. took 16.4 percent.

In the coming years, Germany will expand its technological co-operation with China through providing high-tech products for the country, Waldmann said.

Other countries and regions including Italy, Japan, the U.S., France, Britain, South Korea and Hong Kong have sent groups to the fair.

About 180 domestic textile machinery enterprises are taking part, aiming to expand exports.

Foreign Funds, Technologies Help Boost Forestry
OW0710140594 Beijing XINHUA in English 1153
GMT 7 Oct 94

[FBIS Transcribed Text] Beijing, October 7 (XINHUA)—China is boosting forest industry by introducing foreign funds and technologies.

A survey shows that China has signed eight contracts with the food and agriculture organization of the United Nations involving 119 million U.S. dollars.

With the funds, farmers have planted trees on 216,000 hectares and grass on 80,300 hectares.

Another 120 technology-oriented projects have settled in China with a combined foreign capital totalling 126 million U.S. dollars.

These foreign-funded projects mainly center on planting shelter-forest and timber-use forest, producing plywood, protecting wild animals and vegetation, scientific research and trading foresters.

Besides, China has imported technologies to upgrade forestry.

Up to now, China has established relations of cooperation and technical exchanges on forestry with nearly one third of the countries and regions in the world and dozens of international organizations.

The imported technique in alder planting has helped over 92 percent of alder trees live on in the dry area in northern China.

The foreign funds and technologies have helped the country export more forest products.

China has earned 1.4 billion U.S. dollars from the sales of 2.85 million tons of rosin and large quantities of timber to the world market in the 1978-93 period.

Forestry Ministry Principles for Auctioning Land
HK0710145594 Beijing RENMIN RIBAO in Chinese
15 Sep 94 p 2

[Report by Lin Xuan (2651 5503): "Ministry of Forestry Announces Principles for Auctioning 'Barren Hills, Trenches, Shoals, and Lands' Suitable for Forestry"]

[FBIS Translated Text] The Ministry of Forestry recently announced 10 principles for auctioning the rights to use the "four kinds of barren land," stressing the need to consider local conditions, give correct guidance, act steadily and positively, lease lands according to law, manage according to law, and guide the work in

auctioning the rights to use the "four kinds of barren land" onto the standardized and healthy track for development.

The "four kinds of barren land" suitable for forestry refer to the unharnessed barren hills (slopes), trenches, shoals, and lands (sands) which are suitable for forestry. At present, auctioning of the rights to collectively use the "four kinds of barren land" suitable for forestry has been gradually launched in 16 provinces, municipalities, and autonomous regions. Vice Minister of Forestry Zhu Guangyao pointed out that auctioning of the rights to use the "four kinds of barren land," is a new attempt to expedite afforestation and harness the "four kinds of barren land," and this is conducive to invigoration of forestry, and the casting off of poverty and creation of affluence among peasants. However, this is a project involving a wide area and it has strong policy nature, so there must be correct guidance and management according to the law. For this reason, the Ministry of Forestry deems it necessary to properly grasp the following principles:

Auctioning the "four kinds of barren land" is only auctioning the rights to use the "four kinds of barren land," and the rights must be made very clear. The land to which the rights are disputed must not be auctioned before the dispute is settled. Land for which a forestry rights certificate is issued can be auctioned only after consent is secured from the original certificate holder, and only after a forestry management department carries out the registration of change of rights.

The principle of being open, fair, and just must be upheld, and priority must be given to the local people so as to ensure that they have the opportunity to buy the rights to use and develop the "four kinds of barren land." The scale of auctioning of the "four kinds of barren land" must be appropriate, and the prices must be reasonable. The period for which rights are to be auctioned must take into consideration the degree of difficulty or ease in developing the land and reaping benefit, and a period of 20-70 years is appropriate. Speculation on the "four kinds of barren land" must be strictly prevented, so must the situation whereby the land is not harnessed after it is bought. The development and harnessing of the "four kinds of barren land" must obey overall forestry planning, and people will be encouraged to diversify operations and develop comprehensively, while focusing on forestry. The departments in charge of forestry must do a good and enthusiastic job in organization, guidance, consultation, and service.

Renminbi Printing Technique To Be Displayed

HK0710131894 Beijing ZHONGGUO XINWEN SHE in English 1111 GMT 7 Oct 94

[FBIS Transcribed Text] Beijing, October 7 (CNS)—An exhibition showing printing technique against counterfeit renminbi banknotes as well as covering the history of

issuance of the currency will be held here between November 11 and 24 for the first time since 1949.

The renminbi is the legal tender in China and the People's Bank of China was authorized to issue the currency which plays a very important role in the national economy and in economic life across the country. With a prosperous market in China as well as the opening to the outside world, some counterfeit renminbi, however, sneaked into the currency circulation system, disrupting normal operation of the national economy and causing damage to prestige enjoyed by the renminbi.

The exhibition sponsored by the People's Bank of China will provide the public with knowledge on the currency by means of words, pictures, material objects as well as audio and video materials. It covers the printing and the process of distribution of the renminbi, an anti-false currency campaign and the display of some ancient currencies.

The function is aimed at showing development of the issuance and distribution of the renminbi since 1949, according to the organizer. People can have a clear picture of the currency and learn to distinguish false renminbi from the real one. The exhibition can also help people understand law and regulations of currency as well as those dealing with disruption of the legal tender in a bid to arouse strong feelings and sense of responsibility for protection of the renminbi.

The people's bank which organizes the function is the central bank playing a leading role in administration of the financial business. It is up to the bank to issue currency, to regulate currency circulation and to keep stability of currency.

Beijing Forms 'Complete System' for Medicine Output

OW0810115094 Beijing XINHUA in English 0857 GMT 8 Oct 94

[FBIS Transcribed Text] Beijing, October 8 (XINHUA)—China has formed a complete system of research, manufacture and marketing in its medicine production sector.

At present China has some 1,300 chemical pharmaceutical factories capable of producing 1,400 kinds of 270,000 tons of semifinished materials for medicine production a year.

China has become a main exporter of chemical medicine materials in the world, with 300 kinds of products being exported to some 100 countries and regions,

Meanwhile, the production of traditional Chinese herbal medicines is also developing fast. China has established trading, technological and economic cooperation with 120 countries and regions in the areas of traditional Chinese medicine.

Also, there are some 500 factories producing 2,500 kinds of medical apparatus and instruments, including some large precision medical instruments adopting electronic and computer technologies.

China Key Household Electrical Appliances Producer

OW1210074994 Beijing XINHUA in English 0614
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—China has become one of the world's key producers of domestic electrical appliances, according to the CONSUMERS' TIME.

China's domestic electrical appliance industry has been burgeoning and become a pillar of the light industry since the late 1970's, when the country began its national reform and opening further to the outside world.

Its annual output value rose from 860 million yuan in 1980 to 5.9 billion yuan in 1985 and 50 billion yuan last year.

At present, China is able to produce an annual of 8.1 million refrigerators, 8.76 million washing machines, 64.03 million electric fans and smoke extractors, ranking among the first in the world.

Forming a complete industrial setup, the domestic electric appliance industry has employed 250,000 people including 15,400 technicians and experts.

As early as a dozen years ago, the paper noted, anyone who wanted to buy a refrigerator had to find a ticket first because of market shortage. Most of the domestic electric appliances were sold according to the tickets issued.

Nowadays people are dazzled by the endless array of domestic electrical appliances at shops and on markets.

A survey in 1993 shows that the average 100 families in urban areas had 55.9 refrigerators, 86.13 washing machines, 151 electric fans and 2.3 air conditioners in 1993, and the average 100 families in rural areas had 2.2 refrigerators, 13 washing machines and 65 electric fans.

The country's exports of domestic electric appliances went up from 40.82 million U.S. dollars worth in 1980 to 84 million U.S. dollars worth in 1985, and 1.35 billion U.S. dollars last year.

China has imported dozens of production lines to help upgrade the quality of refrigerators and washing machines.

With the improvement of the people's living standard, more and more domestic electric appliances including electric cookers, dish-washing machines and microwave stoves and air conditioners have become household necessities.

As China develops its market-oriented economy in an all-round way in the 1996-2000 period, the paper suggested enterprises to modernize themselves and produce more quality products to meet the needs of consumers at home and abroad.

Initial Success Reported in Controlling Steel Output

HK0910031894 Beijing ZHONGGUO XINWEN SHE
in English 0435 GMT 8 Oct 94

[FBIS Transcribed Text] Beijing, October 8 (CNS)—According to the Ministry of Metallurgical Industry, the steel production in the first three quarters this year was doing well. Restriction on production of some sluggish-selling steel products and reduction of steel stockpiles had won initial success. The ratio of sales against production output was beginning to climb up.

It was estimated that this sector would produce 68.45 million tonnes of steel and 60.02 million tonnes of steel products in the first nine months, increasing by 4.5 percent and 4.47 percent respectively compared with the same period of last year. The total steel output value of the first eight months in the whole country was RMB [Renminbi] 110.9 billion, and sales value was put at RMB 202.4 billion, reaping a profit of RMB 23 million. To meet the need of the market, production structure has been greatly regulated with emphasis laid on production of rail, silicon steel, oil pipe and steel used for the manufacturing of motor vehicles. The output of those products had increased remarkably compared with last year, whereas some varieties in less demand than production output dropped. The growth of cast steel output was beginning to exceed that of steel output. The output of cast steel of the first nine months this year was put at 26.58 million tonnes, 4.82 million tonnes more than that of last year. However, the increase of steel output was only 2.95 million tonnes. This reveals the sound progress of technology applied in steel production in China. At the same time, quality standard had also grown by 2.21 percentage points over the previous year, reaching the advanced international ratio of steel production to steel products production.

Since last July, the steel production sector has earnestly followed instructions of Mr. Zhu Rongji, vice-premier of China, who stressed strengthening management over production of steel, restriction on production of sluggish-selling steel and further reducing stockpiles, and made some progress during the past two months. In July, the average daily outputs of steel and steel products were controlled to the lowest of the year. The average daily output of steel was 22,900 tonnes less than that of June and steel products 28,200 tonnes less. In September, the main steel works in the country maintained production output of steel at 190,000 tonnes and, at the same time, conducted maintenance and overhaul of their equipment. The ratio of steel sales against output showed an increase to 97.56 percent in August from 95.97 percent in the former half of this year.

The Ministry warned that excessive import of steel products had not been reined in, therefore, the contradiction between greater supply and less demand was still aggravating and one could not be optimistic about the prospect of the steel production industry in the country.

Chain Stores Prove Popular

OW1210125694 Beijing XINHUA in English 1241
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—Chain stores have spread fast throughout the country as the commercial services are being modernized.

China tried the chain store system only a few years ago when it designated 40 commercial enterprises in 15 cities to try out the mode of operation.

China's largest metropolis, Shanghai, now has more than 500 chain stores, whose annual sales volume topped five billion yuan last year. Local experts said that the number of such stores is expected to reach 100 this year.

Beijing has established the country's first software chain, with a member of more than 500.

In Shenyang, capital of northeast China's Liaoning Province, the Mulan Electronic Equipment Producer has established store chain with 120 members nationwide, the largest in the country.

In Wuhan, capital of central China's Hubei Province, some 6,000 business enterprises have formed chain stores.

Official sources said that chain stores have also gained foothold in a host of other cities, such as Xiamen of Fujian Province and Guangzhou, Fushan and Dongguang of Guangdong.

Shop experts noted that the chain store system has also made its way into China's book industry. More than 20 bookstores in Beijing, Harbin, Tianjin, Xian and Nanjing have set up chain stores.

Air China To Make Shanghai Operations Center

OW1010090794 Beijing XINHUA in English 0806
GMT 10 Oct 94

[FBIS Transcribed Text] Beijing, October 10 (XINHUA)—Air China, the leading airline company in China, has decided to take Shanghai as its operational center, according to the "ECONOMIC INFORMATION."

The paper quoted Ying Wenlong, president of the company, as saying that his company plans to arrange more flights from Shanghai, the country's leading economic, trade and financial center, to other parts of China and the world.

Air China now operates 100 international and domestic air routes. It also operates 700 scheduled flights a week to 28 countries and regions, as well as most provincial capitals, major cities and popular scenic spots in China.

Ying said his company plans to spend 200 million yuan constructing an Air China building, a business building and a cargo transportation warehouse in Shanghai, in a bid to facilitate air transport services from Shanghai to other parts of China and the world.

It currently operates eight air routes from Shanghai to the United States and the rest of the world, as well as six domestic air routes from Shanghai, the paper said.

Shanghai Port Passes State Examination

OW1210011594 Beijing XINHUA in English 1723
GMT 11 Oct 94

[FBIS Transcribed Text] Shanghai, October 11 (XINHUA)—The first-phase construction of the Waigaoqiao New Port Area of China's biggest port of Shanghai passed the state check today.

The new port area will bring the Pudong New Development Area of Shanghai a direct access to the outside world by its completion.

The new port, located in the Gaoqiao Town of the Pudong New Development Area 23 kilometers away from the downtown areas of Shanghai, 85 kilometers west of the East Sea and 6 kilometers east of Wusongkou, Shanghai's access to the sea, enjoys a favourable position for both water and land transportation.

Its first-phase construction, with a total investment of 111 million U.S. dollars, includes four docks for 10,000-ton ships and a berth for transportation along the Chang Jiang River.

The port, covering 500,000 square meters of land areas with a total length of 990 meters of coastal lines, will mainly deal with containerized transport and cargoes in bulks. It is expected to have an annual transport capacity of 2.4 million tons by its completion.

The first phase construction of the Waigaoqiao New Port, introducing new technologies and new building materials, has taken only 28 months since its start in July 1991, 14 months ahead of the schedule.

Some projects went into operation during the whole port construction. A berth at the port has handled more than 1.8 million tons of cargoes including steel, timber and cars and opened container routes to Japan, South America and Hong Kong since its completion last December.

Foreign Funds To Expedite Building of Railroads

HK1210065194 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1252 GMT 12 Sep 94

["Special dispatch" by reporter Si Liang (1835 5328): "Mainland Local Railroad Building To Absorb Foreign Capital for Commercial Operation"]

[FBIS Translated Text] Hong Kong, 12 Sep (ZHONG-GUO TONGXUN SHE)—The current railroads in Mainland China are inadequate to deal with the constantly increasing demand for passenger and cargo transportation. This has always been a concern for the economic circles at home and abroad. The railroad authorities recently began to solicit business and import funds from the outside world so as to develop railroad transportation undertakings. These measures include pooling of funds from the Chinese and foreign sides to develop real estate along railroads and properties above railroad stations, and allowing joint-venture enterprises to carry out the commercial operation of railroads. It is predicted that this kind of open policy will greatly expedite the construction of railroads.

According to information, the Ministry of Railways recently adopted an orientation saying: "In the near future, raise funds to alleviate the situation and to adapt to it; in the long run, plan for a pace that is appropriately ahead of schedule, clear a new path of development, and really become the pioneer." It has been proposed that in the 1990's, strength must be concentrated on building a number of key projects that have an important role in promoting the overall development of the national economy, and that by the end of this century, railroads should be extended to 70,000 km, so as to allow the transportation ability of the country's railroad network to basically meet the needs in the development of the national economy and in production. Although the state has tried its best to ensure the availability of the promised funds for railroad construction, the current shortage of funds is more than 15 billion yuan. Therefore, it is an urgent task to absorb more foreign funds for construction of railroads.

In the area of absorbing foreign funds for direct investment in railroad construction and in the joint operation of railroads and the properties above railroad stations, Fujian and Guangdong are the first provinces to have taken an important step. For example, the Chinese and U.S. sides recently officially signed a contract on joint construction of the 220-km Zhangzhou-Chaozhou-Shantou Railroad, with the U.S. side investing \$285 million. The 280-km Fuzhou-Xiamen Rapid Railroad will involve an investment of \$2 billion, and the Chinese and Japanese sides are negotiating a deal, in which Japan's Mitsui and Company Limited will be the main investor. Regarding the Fuzhou-Wenzhou Railroad (370 km in length), which is under deliberation, there are Hong Kong and Taiwan consortia that have said they want to contribute funds and build it. The 173-km Guangzhou-Zhuhai Railroad will require an investment of 6 billion yuan, of which 80 percent will come from foreign capital, and the Chinese side will choose a partner for cooperation from among Japanese and a Spanish consortium. The Guangzhou-Meizhou-Shantou Railroad is 480 km in length. According to plan, it will require an investment of 3.4 billion yuan. At present, the project has secured the support of foreign funds amounting to \$280 million. The Meizhou-Kan City

Railroad, which runs from Guangdong's Meizhou to Fujian's Kan City—a city in the Longyan Prefecture—is a shortcut to boost railroad transportation between the two provinces of Guangdong and Fujian. It is 152 km in length, of which 97 km is within Guangdong; this section requires an investment of 1 billion yuan. An Australian company has planned to contribute \$100 million and to participate in the operation of the railroad. The Beijing-Shanghai Rapid Railroad, which is being planned, is 1,300 km in length and will require a total investment of \$8 billion. There is a plan to borrow from some foreign countries to build it.

In order to absorb and encourage foreign funds to participate in the construction of local railroads, the relevant authorities on the mainland allow some provinces and regions such as Fujian, Guangdong, Sichuan, and Guangxi to formulate preferential measures at their own discretion in order to solicit businesses. Among the main contents are: Appropriately reducing income taxes, expediting the depreciation of joint-venture enterprises' fixed assets, and accelerating the recovery of investment; increasing transportation prices, and allowing joint-venture enterprises more freedom than the state-operated railroad system in the area of pricing; allowing the designated districts along railways to develop and operate the third industry, which includes real estate, tourism, restaurants, hotels, and warehouses; providing conveniences in the area of financing, and joint-venture enterprises may apply for loans from the financial organizations inside and outside the border, and may issue railroad bonds and shares; encouraging foreign businessmen to use the build-operate-transfer model of cooperation.

It seems that the construction and operation of railroads in China will generally adopt the market principle. Except for the important and major transportation arteries (such as the Beijing-Kowloon Railway), which will be built and operated by the state, local railways in the provinces, municipalities, and prefectures will be built by utilizing foreign funds, and will be operated jointly, thus through both channels, we may expedite the development of railroad transportation, and cast off as soon as possible the difficult situation in railroad transportation, in which it is difficult to buy a ticket, to get into a train compartment, or to transport cargo.

Railways Urged To Speed Up Market-Oriented Operations

OW0710145594 Beijing XINHUA Domestic Service in Chinese 0135 GMT 7 Oct 94

["Weekend Economic Commentary" by XINHUA reporters Guo Junzheng (6753 0689 2973) and Chu Baoping (2806 0202 1627): "Railways Should Speed Up their Pace Toward Market-Oriented Operations"]

[FBIS Translated Text] Beijing, 7 Oct (XINHUA)—In September 1993 the Jinan Railway Bureau quietly carried out a pilot project to reform cargo transportation on

a 183-km long railroad. Using that project as a start, the bureau later carried out in-house reforms to optimize the use of transportation resources and explore ways to establish operating mechanisms compatible with the market economy. Meanwhile, the bureau also reformed the mechanisms governing management, profits, and operations.

Railway Minister Han Zhubin commented: The excessively long time allowed under the current plans, the complexities involved in the approval of railway car use, transportation plans which are unable to keep pace with delivery needs, and transportation plans' low cash returns have all seriously affected the rational use of railway resources. We can no longer afford delays in reforming this state-planned transportation management.

During the 1980's when the great land of China was engulfed by the torrents of reform and opening up, the railway sector remained relatively quiet. However, having been baptized by the torrents for over a decade, significant changes have taken place in the environment of China's transportation sector. The kind of management that took shape when railway transportation was state planned has become increasingly incompatible with needs. For example, when a cargo owner wanted his cargo delivered, he not only had to have the transportation date scheduled at the railway station, he sometimes also had to have his application approved by the railway subbureau or bureau, or even by the Ministry of Railways. Even after his delivery application had been approved by cutting through all of the red tape, whether his cargo would be shipped or not was still unknown. From submitting his application to the time the cargo was loaded and shipped, at least 22 days—sometimes as many as 53—were needed. How could such a long wait keep pace with the highly competitive market?

After nearly one year, the advantages of the Jinan Railway Bureau's transportation reform can be seen in three respects:

First, efficiency has been improved and delivery time has been shortened. Today, after the cargo owner submits his request for car space, a railway subbureau approves the request the next day and the cargo is ready for shipping the third day. Last April, when the Shandong Aluminum Industrial Company received a telegram pressing for shipment, the company requested railway car space at the nearby Nanjing Railway Station and the station reported the request to the railway subbureau for approval the same day. The cargo was shipped the next day.

Second, a cargo owner used to have to go through more than 10 offices before his application could be approved and his cargo was ready for shipping. That created the opportunities for irregularities. Because of fewer middle links today, operations have become more efficient and many irregularities have been stopped from the source.

Finally, the railway bureau has become more competitive since its operations are able to keep pace with market needs efficiently and flexibly. The bureau has regained the business of shipping some cargoes that used to be delivered by trucks or boats.

Commenting on the experiences gained from the pilot project, Han Zhubin pointed out that active efforts are being made to explore ways to make railway operations compatible with market needs. Our observation shows that railway department's market-oriented efforts have already started in many areas. For example:

—Pilot projects of setting up a modern enterprise system and reorganizing the bureau with establishments of corporations have been carried out in an orderly manner. The preparations for reorganizing the Guangzhou-Shenzhen Railway Company into a company owned by stockholders and a company authorized to sell stocks outside Guangdong are now at the stage of having its assets appraised. Meanwhile, the Ministry of Railway is assessing a plan of reorganizing the Nanning Corporation and expanding its business to include the Liuzhou Railway Bureau's operations, and it is also assessing some options of reorganizing the Fuzhou Railway Subbureau. It has also drafted a plan after completing preliminary assessments of reorganizing the operations of the Datong-Qinhuangdao railway.

—Active efforts are being made to promote commercial transportation services and improve the quality of such services; to reduce the use of stations which handle cargo transportation businesses and trains for which railway cars have to be hitched or detached; to reduce the use of stations and trains that can affect the efficiency of trunk lines; to increase direct and express transportation services; to develop containerization, refrigeration, and bulk transportation services; and to increase passenger trains' speed and upgrade their services. To meet market needs, the Ministry of Railways has decided to set up some specialized transportation companies, such as group companies providing container transportation services, shipping of large cargoes, and tourism services.

—Exploring new transportation resources. In accordance with a reform plan of allotting transportation resources on the basis of mandatory and guidance plans as well as market regulation, a small part of transportation resources have been be allotted to the market for launching negotiated transportation services.

—Improving the mechanisms governing the rates of transportation services. Efforts have been made to broaden the application of regional delivery rates, good services at preferential rates, floating seasonal rates; to draw up specific policies and measures for charging new rates on new railways; and to gradually establish a virtuous investment cycle for recouping investment and rolling over profits for investment.

1993 Air Freight Transport Volume To Double

HK0710113694 Beijing CHINA DAILY in English
7 Oct 94 p 2

[By Zhou Weirong: "Skies Open for Air Cargo Partnerships"]

[FBIS Transcribed Text] China will double its 1993 air freight transport volume by the year 2000, a senior civil aviation official announced yesterday.

Civil Aviation Administration of China (CAAC) Deputy Director Shen Yuankang said that China will remain an attractive market for foreign aviation companies for a long time because of the rapid growth in the country's air freight transportation.

Shen was speaking at the opening of the third Conference on Commercial Aviation in China yesterday in Beijing.

The two-day conference will focus on finance and supply issues. It is co-sponsored by the Commercial Aviation Report and Atlas Air of the United States, and Air China Group Import & Export Trading Company.

More than 300 leading civil aviation industry figures from 14 countries and regions will discuss ways to expand Sino-foreign economic and technical ties.

Shen also revealed that China will import 48 aeroplanes, worth a total of \$2.2 billion, this year.

In the past 15 years, Air China's freight transportation has developed at an amazing rate of 20.8 percent a year, arousing the interest of foreign investors seeking opportunities in the country, Shen said.

At the opening of the meeting, Atlas Air, a wholly owned subsidiary of Colorado-based Atlas Holdings, officially signalled its interest to enter the fast-growing market.

"With our expanded service to Hong Kong, Atlas Air is now ready to serve all of China directly, and our involvement with the conference is a good first step in that direction," Atlas Air chairman and chief executive officer Michael Chowdry said.

'Roundup' Views Cooperation Among Cities

OW0810125194 Beijing XINHUA in English 1147
GMT 8 Oct 94

[XINHUA "Roundup": "Cooperation Among Cities Along Chang Jiang Burgeoning"]

[FBIS Transcribed Text] Shanghai, October 8 (XINHUA)—The economic development in the Chang Jiang River Valley is thriving as a result of the close cooperation among the 23 central cities in this region.

A survey shows that, these cities along this China's longest river joined hands in setting up more than 5,000 projects, which have generated industrial output value totalling six billion yuan, and gained one billion yuan in gross profit.

The trade volume among these cities has soared up to 38 billion yuan.

The economic cooperation among these cities centered on finance, science and technology, commerce and trade, materials distribution, water transportation, telecommunication, information, environment protection, tourism and social science.

So far, interbank loans with Shanghai, Nanjing, capital of Jiangsu Province, Wuhan, capital of Hubei Province, and Chongqing, the largest city in Sichuan Province, in the main, totalled 400 billion yuan.

To exchange the latest information, the science and technology commissions of the city governments have established coordination setups.

Up to now, 3,796 technological research findings of Shanghai have been introduced into the other cities.

To relieve the pollution of the Chang Jiang River, big cities have set up a Chang Jiang River and Three Gorges environment supervising network, which have built 150 supervising stations along the river.

To boost commerce and material distribution, seven provinces have established 2,300 enterprises in the Pudong Area, east of the Huangpu River in Shanghai.

At the same time, Shanghai has set up many chain stores in cities along the Chang Jiang River.

Moreover, the Chang Jiang River united economic development corporation has been set up jointly by 31 cities along the river, the communication bank and its 28 branches and 386 large- and medium-sized enterprises, with a registered capital of 770 million yuan.

With its three branches in Nanjing, Wuhan and Chongqing respectively, this share-holding corporation has established 45 enterprises engaged in commerce, trade, real estate, processing, and basic industry.

At present, the assets of the corporation have risen to 1.56 billion yuan and the profit to 128 million yuan.

To further enhance the cooperation in the Chang Jiang River Valley, five economic coordination zones have been formed with main cities as the centers.

The Nanjing Economic Coordination Zone covers 160,000 square kilometers of land of Jiangsu, Anhui and Jiangxi Provinces.

Up to now, 100 enterprise groups, over 70 industrial networks and four markets of commodities, materials, funds and technology have been set up in this zone.

The Wuhan Economic Coordination Zone covers 300,000 square kilometers of land of Hunan, Hubei, Jiangxi and Henan Provinces.

Another economic coordination zone is in the upper reach of the Chang Jiang River, with Chongqing as the center.

At present, constructions are well on the way in building a city group in southeast Wuhan Province, an industrial corridor in Jiangxi Province beginning from Nanchang, capital of the province, to Jiujiang, a main city at the Chang Jiang River, Yichang Energy Base in Hubei Province, an agricultural products base around the Boyang Lake, the Dongting Lake and on the Jiangnan Plain.

Bohai Bay Coastal Cities To Be Linked by Expressways

OW0910060794 Beijing XINHUA in English 0250 GMT 9 Oct 94

[FBIS Transcribed Text] Beijing, October 9 (XINHUA)—All the important cities along the coast of the Bohai Bay in north China will be linked up by expressways in the years to come.

Three expressways have been extended, connecting the capital city of Beijing and the industrial and port city of Tianjin, Shenyang, the capital of northeast China's Liaoning Province, and Dalian, a seaside city in Liaoning, Jinan, the capital of east China's Shandong Province, and Qingdao, a tourist city of Shandong.

Highspeed ships have commuted between the Shandong Peninsula of Shandong and Liaodong Peninsula of Liaoning.

The blueprint of high speed routes from Tianjin to Dalian and from Tianjin to Yantai, a port city in east Shandong, has been drawn. A high speed communication network will take shape when the two routes are completed.

In September 1992, the first high speed ship was launched to work between Dalian and Yantai, reducing the travelling time from six hours to two hours and 45 minutes.

In October 1993, the Ministry of Communications decided to open the passenger transport market comprehensively. Consequently, the number of passenger routes and ships and the amount of passenger transport increased greatly.

Now five high speed ships ply between Dalian and Yantai every day.

Some foreign businessmen, impressed by convenient transport, have made up their mind to invest in the region.

Tourism between Shandong Peninsula and Liaodong Peninsula has also been growing.

The energy and heavy petrochemical industries around the Bohai Bay now hold a very important position in China.

Three Regional Human Resources Markets Formed

HK1210070094 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0716 GMT 18 Sep 94

["Special article" by reporter Si Liang (1835 5328): "Mainland Establishes Three Regional Human Resources Markets"]

[FBIS Translated Text] 19 Sep (ZHONGGUO TONGXUN SHE)—This reporter has learned from the Ministry of Personnel that the three national-level regional human resources markets in Tianjin, Shanghai, and Shenyang have started business one after another since mid-September. More human resources markets of this kind will continue to be established next year. In three to five years, a national network of human resources markets will be initially set up to provide skilled and qualified human resources for various trades and professions.

Jointly established by the Ministry of Personnel and the respective local governments, the three regional human resources markets in Tianjin, Shanghai, and Shenyang are under the management of a committee organized by both sides, with the local government as the main body. The three human resources markets will be geared to the needs of their respective regions, and will become examples for other parts of the country. They also will establish relations with international human resources markets. At the same time, transregional activities for the exchange of human resources will be held, and all kinds of employer units will be absorbed as members of the markets. Policies for the flow of human resources will be worked out to suit regional economic development, and changes in the supply and demand of human resources and their interactions will be used to create conditions for two-way selection by the individual professional personnel and the employer units in wider fields.

The mainland's first regional human resources market was opened for business on 16 September in Shenyang, Liaoning Province. It will serve China's northeast region, cater to the whole nation, and establish ties abroad. The North China (Tianjin) Human Resources Market will be officially opened for business at the beginning of October. Located in Tianjin, it will serve Beijing and the Bohai and North China areas, and will cater to the needs of the whole nation and the world. Shanghai's human resources market also will start business officially by the end of September or the beginning of October. As Shanghai is the leading city in the Chang Jiang Delta and in the entire Chang Jiang River valley region, its human resources market will be geared to the needs of east China cities and towns, and both sides of the Chang Jiang. East and central China are both commercial and financial centers of the country. That is why people have set higher demands on Shanghai's human resources market, such as higher starting point, higher layer, and higher level service. It is also required to open

in all directions, establish ties with all parts of the country, and cater to the needs of the whole world, taking this as the objective of its development.

In Shenyang, the nation's first place for the exchange of human resources, more than 60 percent of employees have established labor relations through various forms of labor contracts to suit the needs of the market, and more than 300 intermediary organizations have been established at various levels. Over the past few years, some 2 million people in this city have gotten their jobs through two-way selection and market competition. On the first day the human resources market started business, representatives of many big companies and enterprises from the United States, Japan, South Korea, Taiwan, and Hong Kong, as well as various mainland cities, came to Shenyang to recruit qualified personnel.

In essence, the human resources market is a high-class labor market. China's labor markets have been developing rapidly in recent years. At present, there are more than 500 organizations for the flow of human resources in China's 30 provinces, autonomous regions, and municipalities. At the prefectural and county level, there are also more than 2,000 organizations for the exchange of human resources. Both government-and nongovernment-run job-finding offices have mushroomed throughout the country. Now, more than half of employees have gotten or changed their jobs through the labor market. Moreover, there are also some companies specializing in introducing senior management personnel.

A relevant source on the mainland held that judging from the overall situation, the development of human resources markets in China still cannot satisfy the needs of the developing market economy. At present, quite a few problems still exist in the spontaneous labor markets. A human resources market mechanism has not yet been established. While there is still a shortage of regular personnel-training organizations and senior management personnel, some problems still seriously exist. For example, some units are still reluctant to let their employees go. As a result, there are still the phenomena of being overstaffed and wasting human resources. The coexistence of the shortage of human resources with the surplus personnel and disorder in the management of personnel flow are the two major difficult problems now. Thus, the establishment of the Tianjin, Shenyang, and Shanghai regional human resources markets has become a new measure for cultivating and developing advanced and intermediate human resources markets. In the future, when a nationwide network of human resources markets is established and when the exchange of information is computerized, the rational flow, assignment, and use of both Chinese and foreign human resources possibly will be further promoted throughout the country.

State Development Bank Loans 3 Billion Yuan

OW1110135094 Beijing XINHUA in English 1311
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—The State Development Bank (SDB) has allocated a total of 3.07 billion yuan in loans to facilitate agricultural development since it started operation in March this year.

The loans have been channeled to priority agricultural projects such as grain production, irrigation works, chemical fertilizer production and projects to stabilize vegetable and non-staple food supplies in urban areas.

An SDB official said that the government loans to these projects has increased considerably this year, though he did not make a comparison.

But he said that the loans would yield great efficiency. The country would see grain output increased by 7 billion kilograms a year, as the loans would be used to renovate 18 million hectares of low-yielding land and reclaim 160,000 hectares of cultivated land.

The loans covering the country's "vegetable basket projects" would increase the meat, poultry and egg products by more than 24,000 tons this year.

China Plans To Train 10 Million Agrotechnicians

OW1210101394 Beijing XINHUA in English 0914
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—The Ministry of Agriculture has decided to step up its "green certificate program", a plan to train eight million to 10 million agrotechnicians among the peasants by the year 2000, a ministry official said here today.

Chen Jianhua, an official from the Education Department under the Ministry of Agriculture, said the ministry has recently made a decision to designate another 50 counties as pilot areas to start the project, bringing the total number of such areas to 100.

In addition, China has made a decision to improve its rural education system at a recent national education conference and a national meeting on comprehensive educational reform in rural areas, and plans to offer one-year training courses in applied agrotechniques to rural middle school students after they fail to enter universities.

Chen said the plan was drawn by the ministry as one of the major ways for the country to fulfill its agricultural production targets and improve farmers' income.

China plans to increase its annual grain output by 50 billion kg to 500 billion kg by the year 2000, drastically raise the output of other farm products and farmers' income.

Analysts say the plan is difficult but not unattainable. The potential for higher grain output is big as a huge amount of low-yielding farm land exist in grain-producing areas, despite the fact that China's population grows by 16 million annually and a large amount of its limited arable land is lost each year to industrial development.

Agriculture Minister Liu Jiang said it is not realistic for the country to depend solely on state investment in maintaining a fast growth of agriculture. It is the only way for China to achieve a sustained development of agriculture and rural economy and realize modernization of agriculture by improving farmers' education.

Other officials explained that it is impossible for the state to pour a huge amount of money to boost agricultural production because of its current limited financial resources.

The green certificate is designed to certify a farmer's knowledge, expertise and other necessary qualifications for a certain technical job in agriculture.

It will normally take two years of successful completion of theoretical as well as practical study in a certain subject before a farmer can be awarded a green certificate.

The green certificate program covers such sectors as plantation, agricultural machinery, management of rural cooperative economy and rural environmental protection.

The training activity is usually arranged during slack seasons at village or township levels.

Green certificate holders will be in a better position to sign contracts or get loans, technical instruction, agricultural information and necessary government support.

Initial work for the farmers' green certificate training program began as early as in 1990.

At present less than 40 percent of China's agricultural research results in agriculture can be applied and popularized in China, compared with 70 percent in developed countries.

East Region

Anhui Peasants Enriched With Special Associations

OW1110115794 Beijing XINHUA in English 1043
GMT 11 Oct 94

[FBIS Transcribed Text] Hefei, October 11 (XINHUA)—Over 2,500 farmers associations for breeding, farming, processing and transportation have mushroomed in east China's Anhui Province, which have become a driving force behind the prosperity of the local farmers.

The trade volume of those associations amounted to 300 million yuan last year.

In Tianchang county in the northwestern part of Anhui, peasants joined 30 associations for sericulture, aquatic breeding, chicken farming and crop culture.

The association of aquatics has such subsidiaries as model breeding farms, aquatics companies, a school, an office of technology consultation, a department for providing fishing gears and a fish management station.

On average a member of the association earns 300 yuan more than a peasant living on farming each year.

The rising of the associations reflects the initiatives of the peasants to adapt themselves to the market economy, said Wang Zhaoyao, deputy governor of the province.

It is estimated that it should have cost the government several million yuan to build the comprehensive associations in Tianchang.

In fact, the government does not have enough technological means to meet the peasants' various and changing demands in the fledgling market economy, Wang said.

Thus the special agricultural associations have helped the government serve the peasants.

An association of duck farming in Bianhe town, Suzhou City, north Anhui, are raising 500,000 ducks, with an annual output value of 600 million yuan and offering each association member a net income of 30,000 yuan every year.

Five years ago, there were only 20,000 ducks in the town and the peasants were not willing to raise more because of heavy trading expenses and difficult marketing.

Some duck raisers volunteered to form a duck farming association, and negotiated with the government departments concerned to make unified plans on the production, marketing and processing of ducks.

As a result, one after another, many other duck raisers joined the association to expand the scale of duck farming. Now there are 280 members in the association.

The head of the Bianhe town said the government guidance of market is more efficient when conveyed to the peasants through the association.

Meanwhile, the association is more skillful in opening new market.

Making use of abundant information, the association has striven for government support or capital from other places to build duck processing factories, factories of feather and down clothing and truck squad for long distance transportation, and eventually lifted the duck-raising efficiency by 200 percent.

World Bank Loans Help Disaster-Ridden Anhui

OW1110100394 Beijing XINHUA in English 0750
GMT 11 Oct 94

[FBIS Transcribed Text] Hefei, October 11 (XINHUA)—The World Bank loans have brought higher grain output and income for peasants in Huaiyuan County, a grain producer and also disaster-ridden area in east China's Anhui Province.

The county has used 19.5 million yuan (2.3 million U.S. dollars) loaned by the World Bank to build 84 irrigation projects over the past three years. These have brought about an annual increase of 50,000 tons of grain and 10 million yuan (1.1 million U.S. dollars) in cash for local peasants.

Huaiyuan County has about 133,000 hectares of farmland used to sustain heavy output reduction in years of floods or drought, because of the inefficiency of irrigation facilities.

In 1991, the county launched a program to build irrigation facilities with the loans from the World Bank in addition to funds raised by itself.

Up to now, the county has built and renovated 49 power plants and transformed 19,000 hectares of low-yielding farmland.

The improvement in irrigation facilities has not only helped the county reap good harvests, but also promoted the development of high-yielding farms and sideline products.

The county has set up nine bases of mulberry, fruits, aquatic products and vegetables in these areas. Local farmers also use the irrigation facilities to develop animal husbandry.

Fujian Governor Meets Visiting Taiwan Businessmen

HK1210064194 Fuzhou FUJIAN RIBAO in Chinese
4 Oct 94 p 1

[By reporter Ye Rong (0673 2827): "Chen Mingyi Meets Visiting Taiwan Investment Inspection Group"]

[FBIS Translated Text] The 14-member trade and investment inspection delegation of the Taiwan Federation of Industrial Enterprises, headed by Mr Chuang Kuo-chin and Lu Chi-sheng, arrived in Fuzhou yesterday afternoon [3 October] and began its 6-day inspection and business talks in Fujian.

Yesterday evening, Governor Chen Mingyi and Vice Governor Wang Jianshuang met with the guests of the Taiwan industrialists' delegation and with Mr Lee Man-ching, chairman of Hong Kong's Lippo Group. On behalf of the provincial government, Chen Mingyi first expressed a warm welcome to Mr Chuang, Mr Lu, and other guests. Governor Chen then briefed the guests on Fujian's economic and social development situation since the beginning of reform and opening up, as well as on its plan for further economic development. He then said: "Since ancient times, Fujian and Taiwan have had a strong and close bond." Exchanges and cooperation between Fujian and Taiwan not only will increase mutual understanding, friendship, and consensus of opinion, but also will enable both sides to make use of each other's advantages, and to seek common development and enhancement. This not only will be favorable to Fujian's development, but also will provide good opportunities for Taiwan industrialists, businessmen, and people of insight to display their prowess, and thus will be favorable to industrial restructuring and technological progress in Taiwan.

In conclusion, Chen Mingyi said: We sincerely welcome more Taiwan industrialists and businessmen to visit Fujian, and to do business and make investment in Fujian. The local governments at all levels in Fujian will conscientiously carry out the principle laid down by the State Council of "giving priority and preferential treatment" to the investment projects launched by Taiwan compatriots, and will make efforts to create a more favorable investment environment for Taiwan investors, and to support their enterprises and business.

Mr Chuang Kuo-chin, head of the Taiwan industrialists' delegation, expressed gratitude for Governor Chen Mingyi's warm reception, and said he believed that through the joint efforts of the entire Chinese people on both sides of the straits and throughout the world, Fujian and the mainland as a whole certainly will become more prosperous, wealthier, and stronger.

Chen Guizong, Chen Zidong, and Chen Zuwu, leaders of the relevant provincial departments, and Fuzhou Mayor Jin Nengchou were present at the meeting.

After the meeting, Governor Chen Mingyi gave a dinner in honor of Mr Chuang Kuo-chin, Mr Lu Chi-sheng, Mr Lee Man-ching, and other visitors.

Fujian Enacts Laws To Protect Cultivated Areas

OW1010091994 Beijing XINHUA in English 0856
GMT 10 Oct 94

[FBIS Transcribed Text] Beijing, October 10 (XINHUA)—Southeast China's Fujian Province has taken

new and strict measures to protect its cultivated areas, the EAST CHINA INFORMATION DAILY reported recently.

According to an official regulation, Fujian will place at least one million hectares, or 82 percent of the its total farmland, under protection.

Fujian, an ancestral home for overseas Chinese, has 31 million people. To ensure everyone to have enough to eat, the province needs at least one million hectares under farm crops.

Zhang Mingjun, chairman of the provincial people's congress, called the one million hectares of farmland "our lifeline".

In addition, the province has decided to take strict measures in issuing licenses for the use of capital farmland in a bid to check the use of land for non-farming purposes.

Jiangsu Appoints New Economic Restructuring Official

OW1210112194 Nanjing XINHUA RIBAO in Chinese
30 Sep 94 p 1

["Namelist of appointment and removal decided by the Jiangsu Provincial People's Congress Standing Committee"]

[FBIS Translated Text] Namelist of appointment and removal decided by the Jiangsu Provincial People's Congress Standing Committee (adopted by the 10th Session of the Eighth Jiangsu Provincial People's Congress Standing Committee on 29 September 1994):

Li Sanyuan [2621 0005 0337] is appointed chairman of the Jiangsu Provincial Economic Restructuring Commission; and Yang Xiaotang is removed from his concurrent post of chairman of the Jiangsu Provincial Economic Restructuring Commission.

Jiangsu's Xuzhou Attracts Foreign Investment

OW1210074794 Beijing XINHUA in English 0457
GMT 12 Oct 94

[FBIS Transcribed Text] Xuzhou, October 12 (XINHUA)—Xuzhou, an industrial city in east China's Jiangsu Province, has become an appealing spot for foreign investment as the city reported one billion U.S. dollars of business volume in a trade fair, which concluded here early this month.

The fair, also a cultural festival, has attracted over 4,000 Chinese and foreign businessmen who had inked more than 200 business contracts. The city also exported 10 million U.S. dollar-worth of products during the fair.

As a major transportation hub, Xuzhou has accelerated infrastructure construction. The city has built a number of modern highways. An international airport and a railway station are being built in the city.

According to city sources, Xuzhou had approved 421 foreign-funded projects in 1993. By June this year, the city had approved a total of 800 foreign-funded enterprises with the total investment of 1.14 billion U.S. dollars.

The foreign-funded businesses inked during the trade fair fall in such industrial sectors as machinery, chemical fertilizer, textile and plastic industry.

Surplus Shandong Laborers Trained, Go To Work in Cities

OW1110104994 Beijing XINHUA in English 0956
GMT 11 Oct 94

[FBIS Transcribed Text] Jinan, October 11 (XINHUA)—Some 70,000 farmers in Lianshan County of east China's Shandong Province, about 70 percent of the local surplus labor force, have been trained technically and sent to work in the cities.

Official sources said that more than 30 percent of the farmers have special skills, with some 300 of them bearing technical titles. Others work in the service sector and construction.

Labor diversion to cities has helped promote the local economy, experts said.

On the average, farmer-workers save more than 2,000 yuan a year. They earned a total of 84.81 million yuan last year.

Their work experiences in cities have broadened their horizons and enriched their knowledge. After return, many of them set up township enterprises.

Farmer Wang Kedao has used 3.5 million yuan to set up a glass plant, which now produces some 1.7 million yuan (200,000 U.S. dollars) in profit annually.

The farmers have also tried their efforts to woo foreign funds to their localities.

Thanks to the efforts of farmer Wu Xianjun, an investor from the Republic of Korea has agreed to invest in several projects.

Nation's First Offshore Oil Pipeline Completed

OW1110065794 Beijing XINHUA in English 0633
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—China has completed its first offshore oil pipeline, according to the CHINA PETROLEUM JOURNAL.

The pipeline was laid by the no.1 construction company of the Shenli Petroleum Administrative Bureau in Shandong Province, after completing the construction of a movable offshore oil platform and a fixed offshore platform.

In line with growing demand in offshore oil production, the company, which used to undertake land work only, has made special efforts in staff training for offshore projects.

In addition, the company has built a simple dock and a buoyancy tank for carrying equipment, and bought necessary facilities.

When the pipeline goes into operation, it will help the Shengli Oilfield, China's second largest after Daqing, boost oil output.

Shanghai Boosts Car Production

OW1110100594 Beijing XINHUA in English 0816
GMT 11 Oct 94

[FBIS Transcribed Text] Shanghai, October 11 (XINHUA)—Shanghai began to produce a new type of "Santana 2000" cars yesterday.

Developed jointly by the Shanghai Volkswagen Corporation, the Volkswagen Automobile Company and a Brazilian company, the car will use a 1.8-liter loop-locked multipoint gasoline jet engine plus a five-gear gearbox and a power steering unit.

According to authoritative sources, the development of the "Santana 2000" cars has set a milestone in the growth of China's car industry.

At present, the Shanghai Volkswagen Corporation is producing 115,000 cars annually with 82 percent of the parts produced by the Chinese side.

Both Chinese and German sides plan to make new investment in building an engine plant and expanding production scale.

Shanghai's Industries on 'Healthy Tract'

OW0910053294 Beijing XINHUA in English 0307
GMT 9 Oct 94

[FBIS Transcribed Text] Shanghai, October 9 (XINHUA)—Shanghai's industry is growing on a healthy tract, according to an industrial production meeting held today in this largest metropolis.

From January to September, the city's total industrial output rose by 17.2 percent over the same period last year, while the sales volume increased by 16.5 percent.

In addition to a big jump in export volume, enterprises operating under the independent business accounting system made 19.4 percent more profits.

According to Xu Zhiyi, director of the Shanghai Economic Commission, the industries turned out 20 percent more profits and taxes in the first nine months this year over the same period of 1993.

The steady industrial growth did not lead to a piling-up of manufactured goods. In the last quarter 97 percent manufactured products were sold out.

The six pillar industries—auto-making, telecommunications equipment, power generating, iron and steel, petroleum and domestic appliances—yielded 67.4 percent of the total industrial profits and taxes in Shanghai in the first six months.

Technical renovations have been widely conducted in large and medium state-owned enterprises, and cooperation with transnational companies has been stepped up.

Nearly one tenth of the world 500 leading companies have poured industrial investment in Shanghai. In the first eight months, 12,000 new products went to the market.

Xu said that efforts have been made to pull loss-makers out of predicament and to transfer small state enterprises into shareholding companies.

Article Views Shanghai's Economic Development

OW0910131194 Shanghai JIEFANG RIBAO in Chinese
24 Sep 94 p 1

[By reporter Qiu Xin (5941 2450): "Economic Take-Off Brings About Constant Changes"]

[FBIS Translated Text] After 45 years of large-scale economic development, Shanghai has undergone historic changes in its social and economic life.

In the 45 years, Shanghai's overall economic strength has increased markedly. Total investment in fixed assets from 1953 to 1994 stood at 418 billion yuan, averaging an annual growth rate of 14.2 percent. Fixed industrial assets increased by over 40 times. Social productive forces have developed greatly. From 1952 to 1994, gross domestic product [GDP] rose by 33 times in terms of comparable prices, averaging an annual growth rate of 8.7 percent; industrial output, 50 times, averaging an annual growth rate of 9.8 percent; total volume of retail sales, 38 times, averaging an annual growth rate of 9.1 percent; and the volume of export rose 70 times, averaging an annual growth rate of 10.7 percent. Science, education, cultural, and health services have also flourished. Enrollment in Shanghai's colleges, secondary, and elementary schools in 1994 increased by 6.1 times, 6.4 times, and 1.1 times, respectively, over 1949 levels. Today Shanghai has 6,077 medical and health institutes. Living standards rose both in the cities and in the countryside. Since 1952, the actual level of consumption in the city has risen at an average annual rate of 4 percent.

Marching in tune with the majestic pean of "drastic changes in three years," Shanghai's economic development and other undertakings have entered a new phase of development in recent years. In the past three years, Shanghai's economy has been growing in sustained, rapid and healthy manner at an average annual rate of over 14 percent.

A pattern of multi-directional opening with Pudong at the center is taking shape at an accelerated pace. Export has risen at an average annual rate of 14 percent in the past three years, achieving the goal of synchronous increase with economic growth. New progress has been made in the utilization of foreign capital. In the first eight months of 1994, the city signed 2,722 agreements for using \$7,001 million in foreign direct investment, equaling the figure for the whole year of 1993. The Pudong New District is now gradually transiting from the phase of infrastructure development into a new phase of building functional facilities.

The urban proper has also taken on a new look. From 1992 to August 1994, the city invested 36.6 billion yuan in municipal infrastructure facilities, amounting to 55.2 percent of the city's accumulated investment in urban development since 1979.

Economic restructuring has intensified. Shanghai's market has begun to play a central role in the allocation of resources. Shanghai's volume of security transactions from January to August this year was 1,353.4 billion yuan, up 160 percent over the figure for the whole year of 1993.

The level of real income, consumption, and quality of life have improved in both the city and countryside. The average 1994 wage income of the city's workers is expected to increase by 34.8 percent. In every 100 households in the city proper, there are 99 color TV sets, 13.2 air conditioners, 10.4 stereo sets, and 94.8 refrigerators. In the past 3 years, the city completed housing totaling 14.37 million square meters in floor space. The average per capita living space in the city proper has risen to 7.3 square meters.

Various social services have also flourished in the 15 years after China started reform and opening to the outside world. Since 1979, the city has scored over 20,000 major scientific and technological achievements or findings and the rate of utilization of such achievements has risen from 30 percent in the past to 92 percent today. Compared to 1978, the number of professional medical personnel in the city has risen by 36 percent; the number of hospital beds, 44 percent.

Taiwan Increasing Funds to Shanghai's Yangtze Delta

HK1210033094 Beijing ZHONGGUO XINWEN SHE
in English 1301 GMT 11 Oct 94

[FBIS Transcribed Text] Shanghai, October 11 (CNS)—Taiwan-funded items in the Yangtze River Delta have made up over 40 percent of the total Taiwan investment in the Mainland. The delta has become one of the areas absorbing the largest number of Taiwan-funded items.

Statistics showed that there were about 8,000 Taiwan-invested items in the delta composed of Shanghai, Zhejiang and Jiangsu provinces, accounting for 30 percent of foreign-funded items in the delta. The pledged Taiwan

capital was valued at US\$ 14 billion or 34 percent of the total pledged foreign capital.

Half of the Taiwan-invested items in Shanghai are operated in suburban area, and labour-intensive enterprises make up 70 percent of the total investment items of great value are now on the rise and the investment scope further extends to financial sector, trade and real estate. Nearly a quarter of the largest 100 consortia in Taiwan has investment in Shanghai with a gross investment of US\$ 1.3 billion. A particular Taiwan group alone has 11 investment items in the Pudong New Zone with a total value of US\$600 million.

As of the first half of this year there were 4,030 Taiwan-funded enterprises in Jiangsu with a gross investment of nearly US\$ 7.5 billion, of which pledged capital was valued at US\$ 4.5 billion. Jiangsu has become the very province to boast the largest number of Taiwan-invested items in the Mainland. The business scope expanded from toy and clothing to electronics, optical products and real estate.

Zhejiang showed an accumulated number of 1,800 Taiwan-funded items with a total investment of more than US\$ 3.3 billion, of which the pledged use of Taiwan capital was valued at US\$ 2.4 billion.

Economists were convinced that worthiness of economic exploitation of the delta was increasingly accepted by Taiwan businessmen which resulted in a sharp rise in Taiwan investment in the area in recent years.

Shanghai Port Handles Increased Export-Import Volume

OW1210074394 Beijing XINHUA in English 0440
GMT 12 Oct 94

[FBIS Transcribed Text] Shanghai, October 11 (XINHUA)—Shanghai port has handled 23.34 billion U.S. dollar-worth of export and import products in the first nine months of this year, which represents an increase of 17.7 percent over the same period last year.

According to municipal government sources, the port handled 11.67 billion U.S. dollar-worth of exports in the period, a rise of 32.5 percent over the same period last year, with the increase of exports surpassing that of imports by 26 percentage points.

Shanghai has been China's largest trading port. To expand foreign trade, the municipality has provided various services for localities along the Chang Jiang River valley as well as the rest of the country to attract more trade products to go through the port.

Last year, the foreign trade volume by the port surpassed 30 billion U.S. dollars for the first time, which doubled that of 1980.

The port has handled 734,000 batches of export and import products, and received a total of 9,490 ships and

10,084 planes in the first nine months of this year. About 2.177 million passengers departed or landed in China from the port.

Shanghai To Invest More in New, High-Tech Industries

OW1210082894 Beijing XINHUA in English 0747
GMT 12 Oct 94

[FBIS Transcribed Text] Shanghai, October 12 (XINHUA)—Shanghai, China's largest economic center, has decided to invest more in basic scientific studies to help develop new and high-tech industries.

The Shanghai Municipal Commission of Science and technology Has just concluded contracts with research institutions to jointly tackle 149 key scientific issues and undertake 13 basic research projects involving a total investment of 22 million yuan.

An official of the commission said that the scientific issues include computer application, modern biology and medicine as well as quality and efficient agriculture.

Shanghai has already spent 10 million yuan on basic research and personnel training this year.

Zhejiang Completes First Phase Offshore Oil Base

OW1010091194 Beijing XINHUA in English 0816
GMT 10 Oct 94

[FBIS Transcribed Text] Wenzhou, October 10 (XINHUA)—The first phase of a modern supplying base for offshore oil exploration has recently been completed in Wenzhou, a port city in east China's Zhejiang Province.

The base, constructed by the China National Offshore Oil Corporation (CNOOC), is composed of a supplying base and service center, including docks, warehouses, and other service facilities.

By using its advanced telecommunications facilities, for instance, the base can timely keep touch with exploration ships operating off the shore under any climatic condition.

A supply base network has completely formed in China's offshore area, to provide logistic support for Chinese and foreign oil enterprises to tap oil from the seas.

It was in 1992 that CNOOC delimited 728,000 square kilometers of sea area and invited tenders worldwide to tap China's offshore oil resources, and 15 foreign enterprises won the bids.

Up to now they have signed 18 contracts with China, planning to pour 300 million U.S. dollars into offshore oil exploration in the next seven years.

Central-South Region

Southern Areas Cooperate in Sharing Electricity

OW1110104694 Beijing XINHUA in English 0943
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—Four provinces in southern China have cooperated in operating a huge power grid to supply each other with surplus electricity.

The four provinces, Guangdong, Guangxi, Yunnan and Guizhou, have provided each other with 5.28 billion kilowatt hours of electricity since the power grid started operation in the latter half of last year.

Power-short Guangdong Province was the biggest beneficiary. It received 3.3 billion kilowatt hours of electricity from the power network last year.

The power grid has an installed capacity of 27.655 million kilowatts. It includes two key power transmission lines, one of which is 1,230 kilometers long.

As warm areas of Guangdong and Guangxi need more electricity in summer while Yunnan and Guizhou require more electricity in winter, the power grid can adjust power supply within the region.

Facts proved that the formation of the power network is an efficient way to balance power supply and demand, said an official from the network.

So far, the four provinces have joined hands in building a number of new power plants.

Hainan Establishes Telecommunications Network

OW0610064494 Beijing XINHUA in English 0621
GMT 6 Oct 94

[FBIS Transcribed Text] Haikou, October 6 (XINHUA)—Hainan, China's youngest province, has formed a modern telecommunications network.

Before the founding of Hainan Province in 1988, this second largest island after Taiwan in China had only 323 long distance telephone lines and 25,590-line urban telephone exchanges averaging one telephone for every 200 people.

As a result of increasing investment in this field, the province completed construction of a digital microwave channel between Haikou, the provincial capital, and Guangzhou, capital of Guangdong Province, an optical fiber communications channel between the two capitals and the Haikou satellite ground station last year.

These projects have added more than 9,000 long distance lines linking the island with the outside world and helped alleviate tension in telecommunications.

The installation of more telecommunications facilities this year has enabled Hainan to become one of the country's first provinces with a modern telecommunications network.

By the end of August this year, Hainan's total fixed assets in posts and telecommunications amounted to 1.66 billion yuan, the capacity of its long distance exchanges climbed to 9,385 lines, and its urban telephone exchange capacity soared to 278,000 lines.

At present, there are 3.4 telephones for every 100 people on the average, exceeding the national average rate of 2.6 telephones for every 100 people.

Henan Nation's 'Largest Transportation Center'

OW0810111494 Beijing XINHUA in English 0820
GMT 8 Oct 94

[FBIS Transcribed Text] Zhengzhou, October 8 (XINHUA)—Central China's Henan Province has become the largest transportation center of the nation after years of construction.

For a long time, transportations between north and south China were hampered by the Yellow River, especially in Henan Province.

From 1986, four huge bridges have been constructed over the Yellow River, together with other seven major bridges formerly built. Among them, the Zhengzhou Yellow River Bridge, which connects the highway between Beijing and south China's Shenzhen, a booming special economic zone adjacent to Hong Kong, is 5,500 meters long, the longest in China.

Another important one is the Sanmenxia Bridge, which was built earlier this year for the transportation of coal from Shanxi Province, the largest coal producer in north China, to southern provinces.

Billions of foreign investments have been absorbed in the construction of the transportation system. The World Bank has provided 260 million U.S. dollar loans for highway construction.

Now, the mileage of highways in Henan Province ranks second in the country. In five years, the mileage of highway in this province will increase to over 1,000 km, linking Lianyungang Port in east China's Jiangsu Province with Huocheng City in northwest China's Xinjiang Uygur Autonomous Region.

Railways have also played an important role in the transportation system.

Zhengzhou, the provincial capital city, which is the connecting point of the Beijing-Guangzhou railway and the Lianyungang-Lanzhou railway is also the largest marshalling yard in Asia.

After introducing new management systems from the U.S.A. and Canada, Zhengzhou is becoming the transportation hub of central China.

Hunan Helps Rural Women Find Jobs in Cities

OW0510163494 Beijing XINHUA in English 1604
GMT 5 Oct 94

[FBIS Transcribed Text] Changsha, October 5 (XINHUA)—Many rural women in central China's Hunan Province, who have been released from farm work, have found jobs in the provincial capital city, thanks to the help of a household service office in Changsha.

With the support of the city government, the household service office under the city's women federation, has managed to find jobs for 2,635 rural women from across the province since February 1993, according to the office.

These women have been either invited by urban residents' families to be house keepers, or hired to work as shop assistants or restaurant attendants.

They should be proved to be physically healthy, morally sound and voluntarily to go out to work before they get help and are recommended by their local women's federation.

Once the rural women are employed, it is obliged for the office to provide them vocational training and impart them with legal and moral knowledge.

The office also serves to guarantee the legal rights and interests of these rural women, usually by the way of signing contracts with their employers.

The office has not only helped the rural women to find jobs but alleviated the burdens of urban families.

Some of the women, after working in the city for a period of time, return their villages to run bookstores, restaurants and electronic products repair shops, sources of the office said.

Central Hunan City Attracts Overseas Investment

OW1210074694 Beijing XINHUA in English 0447
GMT 12 Oct 94

[FBIS Transcribed Text] Changsha, October 12 (XINHUA)—Yueyang, usually a tourist attraction in northern Hunan Province in central China, has been also an investment attraction these days.

Since 1992 when the city was open to overseas investment, 260 overseas-funded enterprises have been set up, involving a total investment of 1.37 billion U.S. dollars. Investors came from the United States, Britain, Germany and 20 other countries, as well as Hong Kong and Taiwan.

The city is located on the middle reaches of the Chang Jiang River and in the vicinity of Dongting Lake, one of China's largest fresh-water lakes. The country's south-north artery of railway runs through it.

Over the past two years, the city invested 1.4 billion yuan in building infrastructure facilities, including two foreign

trade ports each able to accommodate 5,000-dwt vessels, highways, a power plant, a water diversion project, and a 100,000-line program-controlled telephone exchange.

Guangdong Highest Export-Earned Foreign Exchange

HK1210052394 Guangzhou Guangdong People's Radio
Network in Mandarin 0400 GMT 11 Oct 94

[FBIS Translated Text] From January to September, the volume of exports of the whole province reached \$33 billion or so, up 90.3 percent over the same period last year, and the export plan scheduled for the whole year has been completely fulfilled.

This year, Guangdong's foreign trade has shown several distinct characteristics: 1) There is a huge growth of exports by state-owned and collective enterprise; 2) on the basis of the huge growth last year, foreign-invested enterprises continue to maintain strong growth momentum; 3) the amount of foreign exchange earned through exports is the highest ever during the same period.

This year, Guangdong has been maintaining all-round high-speed growth in foreign trade, and the key factor is the introduction of a set of major state reform measures—particularly reform of the foreign exchange system, the convergence of foreign exchange taxes and profits, and the abolition of the practice of turning over earnings to the state—thus arousing foreign trade enterprises' enthusiasm to earn foreign exchange through exports. In addition, the fact that foreign trade enterprises in our province have made historic progress in transforming enterprise operational mechanisms and in opening up a diversified international market has facilitated the constant expansion of foreign trade.

Guangxi Leaders Meet To Name 'Double Support' Models

HK1210041094 Nanning Guangxi People's Radio
Network in Mandarin 1130 GMT 6 Oct 94

[FBIS Translated Excerpt] This morning, the CPC Committee of the Guangxi Zhuang Autonomous Region, the regional government, and the regional military district held a grand meeting in Nanning to name the region's double-support model cities, counties, and districts. Nanning and 22 other cities, counties, and districts were named model double-support cities, counties, and districts of the Guangxi Zhuang Autonomous Region. Leaders attending the meeting included Zhao Fulin, Cheng Kejie, Ding Tingmo, Chen Huiguang, Gong Pingqiu, Yuan Zhengzhong, Ma Qingsheng, Yang Jichang, Lu Bing, Huang Baoyao, Sun Shihuang, Li Huiwei, Sun Dexian, Pan Liangu, Liao Gubang.

The meeting was presided over by Cheng Kejie, chairman of the regional government. Gong Pingqiu, political commissar of the Guangxi Military District, announced the decision of the regional party committee,

government, and military district on conferring the glorious name on Nanning and 22 other cities, counties, and districts. Lu Bing, vice chairman of the regional government and deputy chief of the regional leading group for double-support work, relayed the spirit of the national meeting on naming double-support model cities and counties. Zhao Fulin, secretary of the regional party committee, and Ding Tingmo, deputy secretary of the regional party committee, gave speeches at the meeting. In his speech, Ding Tingmo reviewed the development of double-support activities over the past decades, summed up the basic double-support condition in Guangxi, and arranged the main tasks in this aspect for the current and future periods. [passage omitted]

Southwest Region

Sichuan Regulations for Agricultural Contracts

HK0710084094 Chengdu SICHUAN RIBAO in Chinese
31 Jul 94 p 4

["Sichuan Province Regulations on the Management of Agricultural Contracts—Approved at the 10th Meeting of the Eighth Sichuan Provincial People's Congress Standing Committee on 26 July 1994"]

[FBIS Translated Text] **Announcement No. 21 of the Eighth Sichuan Provincial People's Congress Standing Committee.**

The "Sichuan Province Regulations on the Management of Agricultural Contracts" was approved on 26 July 1994 at the 10th Meeting of the Eighth Sichuan Provincial People's Congress Standing Committee and are hereby promulgated. They will take effect on 1 October 1994.

The Sichuan Provincial People's Congress Standing Committee

26 July 1994

Chapter I—General Principles

Article 1. This document has been formulated in light of the "PRC Agricultural Law" and other relevant legal provisions and in coordination with the practical conditions in Sichuan Province, in order to: Stabilize and perfect the contract responsibility system on a household basis with remuneration linked to output in agricultural production as the main form; protect the legitimate rights and interests of both principals to an agricultural contract; secure and promote the development of rural economy; and to protect the initiatives of agricultural producers.

Article 2. This document applies to any contract signed between the agricultural collective economic organization [ACEO] and the contractor in farming, forestry, animal husbandry, fishery, and sideline occupations within the jurisdiction of Sichuan Province.

Article 3. The ACEOs mentioned in these regulations refer to cooperative economic organizations of a community nature, including the agricultural producers' cooperatives and other economic cooperatives set up by township (town), village, and groups which own, on a collective basis, essential means of production such as land and so on.

Article 4. The agricultural contracts (hereinafter referred to as contracts) mentioned in these regulations refer to any contracts signed according to law between an ACEO and a contractor with a view to attaining certain economic objectives and to specifying the rights and obligations of both parties.

Article 5. A contract to be made will conform to the laws, rules, and regulations of the state, as well as with the ACEO's charter. It will benefit the development of rural productive forces, the protection of natural resources and the ecological environment, and the stabilization and perfection of the dual system combining household operations and collective unified operations. In negotiating a contract, the principles of voluntariness, mutual benefit, and agreement through consultation will be adhered to.

Article 6. The competent department for agricultural administration under the local people's government at and above the county level will be in charge of the work concerning contracts in the area under its jurisdiction. The administrative agency for rural cooperative economic management bodies under the competent department for agricultural administration will be in charge of the routine work governing contracts.

The township (town) people's government will be in charge of the work concerning contracts within its jurisdiction. The township (town) agricultural contract administrative commission, or the township (town) rural cooperative economic operation administrative agency (hereinafter referred to as the township (town) agricultural contract administrative agency) will be in charge of the routine work governing contracts within its jurisdiction.

Chapter II—Party Issuing the Contract Party and the Contractor

Article 7. The ACEO which enjoys ownership of collective resources and assets or the right to use state resources according to the law, is the party to issue the contract.

In villages and production groups where an ACEO has not yet been set up, the party issuing the contract will be either the villagers' committee or villagers' group.

In case the subject matter of a contract, the ownership or the use right of which is jointly enjoyed by two or more ACEOs according to the law, the ACEOs concerned will jointly organize the issue of the contract.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Article 8. The party issuing the contract is entitled to collect royalties according to the arrangements in the contract, or collective retention funds and coordination fees according to the law, and to apportion voluntary labor service and the labor accumulation service. It also has the right to check that the contractor conducts productive operations in compliance with the terms and conditions specified in the contract.

In accordance with the contracted stipulations, the party issuing the contract will furnish the contractor with the conditions for the productive operations; it should not interfere in the latter's normal operations, nor infringe upon the latter's legitimate rights and interests.

Article 9. The principal who has entered into a contract with an ACEO is the contractor.

The members of an ACEO enjoy priority in entering into a contract with their own organization. In case none of the members of an ACEO is willing or able to enter into a contract, organizations or individuals outside the ACEO may undertake the contract with the approval of the ACEO members' meeting or representative assembly.

Article 10. In accordance with the conditions specified in the contract, a contractor has the right to independently decide his production operations, dispose of his products, and to gain his income. Upon the expiration of the contract, he enjoys priority in renewing the contract under the same terms and conditions and, in accordance with the provisions in these regulations, has the right to sub-contract the land or to assign the land contract.

The contractor will pay the royalties according to the contract or pay the collective retention funds and coordination fees and complete voluntary labor service and the labor accumulation service assigned to him according to the law. The contractor will make use of the land and other means of production according to the uses specified in the contract. The contractor is not allowed to sell the land and other means of production, to carry out predatory productive operations, or to leave the arable land uncultivated.

Should the contractor die during the term of the contract, his successor is entitled to carry on with the contract.

Chapter III—Conclusion and Nullification of Contract

Article 11. Matters regarding the subject matter, form, term, and targets of a contract will be approved by an ACEO members' meeting or representative assembly through consultation.

The system of land contract responsibility will remain unchanged for a long period of time.

Specialized production operations will generally be contracted by means of tender.

Article 12. A contract must contain the following items:

1. The name, location, type, quantity, quality, and uses of the means of production to be contracted.
2. The names of the party issuing the contract, the contractor, and their respective representatives.
3. The duration of the contract.
4. The conditions and services to be provided by the party issuing the contract for the production operations.
5. The targets of production, development, and added value of assets, etc.
6. The use, maintenance, and evaluation of the means of production; penalties and rewards.
7. The royalties to be paid to the collective retention funds and coordination fees to be borne and the voluntary labor service and labor accumulation service to be completed by the contractor in accordance with the law.
8. The conditions under which the contract will be terminated.
9. The liabilities for breach of contract.

In addition to the required items stipulated in the abovementioned provisions, other items may be included through consultation between the principals.

Article 13. When both principals have reached agreement regarding the main clauses of the contract, a written accord will be entered into, which is signed by the representatives of the principals and affixed with the official seal of the party issuing the contract. In cases where the contractor is an organization, the contract will be signed by the legal representative of the organization and affixed with the official seal of the organization. In cases where the contractor is the representative or a family member of the party issuing the contract, another leading member or the representative of a leading member authorized by the ACEO will sign and seal the contract on its behalf.

In case both principals request verification or notarization, an application may be submitted to the township (town) agricultural contract administrative organ for verification or to the notary public for the notarization.

Article 14. The contract will be made in triplicate and both principals and the township (town) agricultural contract administrative organ will keep one copy each. The cost of the copies of the contract will be included in the party issuing the contract's administrative fee.

Article 15. In case the party issuing the contract demands security, the contractor should provide his property as security or a guarantee from a solvent organization or individual.

When the contractor is an organization or an individual outside the ACEO, valid certificates and financial guarantee will be provided.

A written agreement will be made regarding economic or property security.

Article 16. A contract becomes legally binding once signed and will be fully executed by the principals. Neither party is allowed to modify or terminate it without authorization.

Article 17. A contract becomes null and void in any of the following cases:

1. The contract contravenes state laws, rules, or regulations.
2. The contract harms the interests of the state, the collective, or other individuals.
3. The contract contravenes the ACEO's charter or the resolutions by the ACEO members' meeting or representatives assembly.
4. The party issuing the contract has exceeded their power to grant the contracting project.
5. The contract has been made through cheating or by coercion.

A nullified contract is not legally binding from the time it is signed. If a partially nullified contract does not affect the validity of some part thereof, that part will remain effective.

The nullification of a contract will be made by the agricultural contract arbitration commission or by the people's court.

Article 18. A nullified contract which has not yet been executed will not be executed. In that case, the royalties or the collective retention funds and coordination fees which have been collected by the party issuing the contract according to the nullified contract will be refunded to the contractor and the means of production possessed and used by the contractor according to the nullified contract will be returned to the party issuing the contract.

When a contract, which is being executed, is nullified, the time for termination of the execution will be determined through consultation by the two principals to the contract in question, according to the principle of benefiting production and reducing possible losses. In the case of a unilateral default, the defaulting party will indemnify the other party for the losses thus incurred. In case of a bilateral default, either party will take its own corresponding responsibility. The disagreement arising from the consultation between the principals will be submitted to the township (town) people's government for settlement.

When both principals are found to have worked in collaboration to purposely infringe upon the benefits of the state or the collective, the agricultural contract administrative organ will order the parties to make indemnification and confiscate the property thus

acquired. Where the case is serious and constitutes a crime, the said parties will be investigated and their responsibility affixed according to the law.

Chapter IV—Sub-Contracting Land and Transfer Land Contracts

Article 19. In the duration of a contract, the contractor may, with the consent of the party issuing the contract, sub-contract part or all of the contracted land to a third party.

When the relationship between the contractor and the sub-contractor has been established, the rights and obligations of the contractor and the party issuing the contract specified in the land contract will remain unchanged.

In sub-contracting the land, a land sub-contract will be signed between the contractor and the sub-contractor specifying their respective rights and obligations.

Article 20. During the term of a contract, with the consent of the party issuing the contract, the contractor may be allowed to transfer the land contract to a third party with the signing of a written transfer agreement. Once the land contract has been transferred, the rights and obligations of the original contractor and party issuing the contract specified therein will be terminated. The new contractor will be responsible to the party issuing the contract for the execution of the contract.

Article 21. When the land has been sub-contracted, the uses of the land specified in the land contract will not be altered without authorization. When a land contract has been transferred, the content therein will not be altered without authorization.

Article 22. When sub-contracting the land or transferring a land contract, the contractor, with mutual consent achieved through consultation, may be adequately compensated for efforts made in transforming and improving the contracted land during the term of the contract.

Article 23. Individuals or organizations in cities or in the country are to be encouraged to develop, harness, and utilize, by various means including contracting, the land, waters, barren mountains, uncultivated land, woodland, grassland, and waste beaches in rural areas. Farming experts will be encouraged to contract land and to undertake operations on an appropriate scale. The individual's right to contract projects, including development projects, is inheritable.

Chapter V—Modifying, Canceling, and Terminating Contracts

Article 24 The modification or cancellation of the contract will be permitted in any of the following cases:

1. The modification or cancellation of the contract has been mutually consented to through consultation and will not harm the benefits of the state, the collective, or other individuals.

2. A unilateral breach of contract has made it impossible for the execution of the contract to continue.

3. The means of production, such as the contracted land, have been requisitioned by law or the right to use the said means of production has been reclaimed by the state.

4. Owing to the loss of the ability to undertake productive operations on the part of the contractor, the execution of the contract has been made impossible.

5. In defiance of dissuasion, the contractor keeps operating in a predatory way or leaving the land uncultivated.

Article 25. Either of the principals will inform the other party in writing of its intention, if any, to modify or terminate the contract. Unless otherwise specified, the receiving party will give the proposing party a reply within 15 days after receipt of the written notice.

Article 26 In the case where both parties agree to modify or terminate the contract, a written agreement will be signed by them and the official seal of the party issuing the contract affixed, or with the official seals of both parties if the contractor is an organization. Before such an agreement is reached, the contract will remain valid. When the contract has been modified or canceled, a report will be submitted to the township (town) agricultural contract administrative organ for the record.

Article 27 A contract will be terminated if:

1. The contract expires.

2. The contract has been terminated according to a ruling by an agricultural contract arbitration commission; or according to a judgment passed by a people's court.

3. Both principals have agreed through consultation to terminate the contract and the termination will not harm the benefits of the state, the collective or other individuals; or

4. After the death of the contractor, no successor continues the contracted project.

Article 23. Individuals or organizations in cities or in the country are to be encouraged to develop, harness, and utilize, by various means including contracting, the land, waters, barren mountains, uncultivated land, woodland, grassland, and waste beaches in rural areas. Farming experts will be encouraged to contract land and to undertake operations on an appropriate scale. The individual's right to contract projects, including development projects, is inheritable.

Chapter V—Modifying, Canceling, and Terminating Contracts

Article 24. The modification or cancellation of the contract will be permitted in any of the following cases:

1. The modification or cancellation of the contract has been mutually consented to through consultation and will not harm the benefits of the state, the collective, or other individuals.

2. A unilateral breach of contract has made it impossible for the execution of the contract to continue.

3. The means of production, such as the contracted land, have been requisitioned by law or the right to use the said means of production has been reclaimed by the state.

4. Owing to the loss of the ability to undertake productive operations on the part of the contractor, the execution of the contract has been made impossible.

5. In defiance of dissuasion, the contractor keeps operating in a predatory way or leaving the land uncultivated.

Article 25. Either of the principals will inform the other party in writing of its intention, if any, to modify or terminate the contract. Unless otherwise specified, the receiving party will give the proposing party a reply within 15 days after receipt of the written notice.

Article 26 In the case where both parties agree to modify or terminate the contract, a written agreement will be signed by them and the official seal of the party issuing the contract affixed, or with the official seals of both parties if the contractor is an organization. Before such an agreement is reached, the contract will remain valid. When the contract has been modified or canceled, a report will be submitted to the township (town) agricultural contract administrative organ for the record.

Article 27 A contract will be terminated if:

1. The contract expires.

2. The contract has been terminated according to a ruling by an agricultural contract arbitration commission; or according to a judgment passed by a people's court.

3. Both principals have agreed through consultation to terminate the contract and the termination will not harm the benefits of the state, the collective or other individuals; or

4. After the death of the contractor, no successor continues the contracted project.

Article 28. The proposing party will indemnify the other party for the financial losses the latter has sustained owing to the modification, cancellation, or termination of the contract proposed by the former unless such responsibility can be released according to the relevant laws.

Article 29. In case of merger or separation which either principal has encountered, the succeeding principal will bear the obligations and enjoy the rights specified in the original contract, notifying the other principal of the said succession accordingly.

Article 30. A contract once signed will not be modified or canceled only because of a change in the representative of the party issuing the contract.

Chapter VI—Responsibilities for Breach of Contract

Article 31. The defaulting party will be responsible for breach of contract in cases where the contract fails to be executed or to be fully executed through its fault and will pay the breach money to the other party according to the relevant stipulations in the contract. In cases where the fault is attributable to both parties, either party will bear its respective responsibilities for the breach of contract.

Article 32. According to the relevant conditions stipulated in the contract, the party issuing the contract will pay breach money and indemnify for losses in cases it is found to have:

1. Failed to provide the necessary conditions for productive operations in compliance with the contract.
2. Caused financial losses by illegitimately interfering in the normal productive operations undertaken by the contractor.
3. Modified or canceled the contract without the permission of the other party.
4. Taken actions to cause a breach.

Article 33. According to the relevant conditions specified in the contract, the contractor will pay breach money and indemnify for the losses in case it is found to have:

1. Failed to pay the royalties or the collective retention funds and coordination fees, or failed to perform the obligatory work and the laborers' accumulative work, as specified in the contract; or
2. Utilized the contracted land and other means of production against the uses specified in the contract.
3. Sold off, sub-contracted, rented out, or mortgaged the right to use the land and other means of production without the party issuing the contract's permission.
4. Carried out predatory productive operations or left the land uncultivated.
5. Taken action to cause a breach.

Article 34. In case of failure to execute or fully execute the contract owing to force majeure, within 15 days of the occurrence, the party involved will inform the other party in writing of the reasons for the impossibility, lateness, or partial execution of the contract. The execution of the contract may be delayed or partially or wholly terminated and, according to actual conditions, even its responsibilities for breach of contract may be partially or wholly released, if mutual consent can be reached through consultation. In case an agreement cannot be reached, the resolution of the township (town) people's government will prevail.

Chapter VII—Settlement of Disputes

Article 35. The disputes arising from the contract will be settled through consultation between the principals, or through mediation by the township (town) people's government in case the principals refuse or fail to consult. The disputes may be submitted to the agricultural contract arbitration commission for arbitration, according to the arbitration clauses stipulated in the contract or the written agreement regarding arbitration subsequently arrived at. It may also be submitted to a people's court for judgment in the absence of arbitration clauses specified in the contract or an arbitration agreement subsequently made.

Article 36. The disputes arising from the contract will be promptly attended to by the department to which the appeal is made. If necessary, it may be ruled that the production will be restored prior to the settlement of disputes.

Article 37. The agricultural contract arbitration commission will be composed of representatives from the county-level agricultural administrative department, the judicial department, and from the township (town) government. Representatives from relevant departments may also be invited to work on the commission.

Article 38. The execution of the contract will continue while the principals to the contract are applying for mediation, arbitration, or litigation.

An application to suspend execution of the contract put forward by one of the principals is subject to the ruling by the agricultural contract arbitration commission or the adjudication of the people's court.

Article 39. The agricultural administrative departments at and above the county level, as well as the township (town) people's government will, according to law, offer their guidance for the conclusion of contracts; have the right to supervise and inspect the observation of laws, rules, and regulations regarding contracts by the ACEOs; and have the right to stop, and to demand correction of, practices which violate the laws, rules, and regulations regarding contracts.

Chapter VIII—Supplementary Articles

Article 40. The Sichuan Provincial Department of Agriculture and Animal Husbandry is responsible for the interpretation of issues arising in the actual application of these regulations.

Article 41. These regulations will take effect on 1 October 1994. The agricultural contracts signed before the current regulations are effective will remain valid if they do not contravene the provisions herein.

Sichuan City Sets Up Nongovernmental Economic Zone

OW1210075994 Beijing XINHUA in English 0637
GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—Chengdu, capital of Sichuan Province in southwest China, has set up a non-governmental economic development zone in its Pujiang County.

The county has a population of 250,000 and covers an area of 583 square kilometers.

The city government has issued a package of preferential policies for the zone.

Enterprises in the zone are allowed to co-operate with state-run and collective enterprises in boosting economic operations.

These enterprises are encouraged to set up corporations, develop productive projects, and increase registered capital and production scale.

State Commodity Inspection Group Arrives in Tibet

OW1110120194 Lhasa Tibet Television Network in Mandarin 1200 GMT 16 Sep 94

[Announcer-read report over video on interview with (?Zhou Xinghai), deputy director of the State Administration for the Inspection of Import and Export Commodities, by an unidentified station reporter in Lhasa on 16 September; passages within quotation marks are recorded; from the "Regional News Hookup" program]

[FBIS Translated Text] [video begins with long shots of a group of unidentified people shaking hands with each other at an airport] A five-member inspection group led by (?Zhou Xinghai), deputy director of the State Administration for the Inspection of Import and Export Commodities, arrived in Lhasa on the morning of 16 September. (?Baima Chilie), deputy secretary general of the autonomous regional people's government, and relevant leaders of the autonomous regional administration for the inspection of import and export commodities, welcomed the delegation at the airport. Our station reporter interviewed deputy director (?Zhou Xinghai) on relevant issues. The latter made these remarks:

[Zhou] "The third forum on work in Tibet, convened by the central authorities, was a very important work meeting for promoting stability and development in Tibet. It also addressed the issue of how our administration could contribute to stability and development in Tibet. At the time of the meeting, the state took into account the fact that the Tibet Autonomous Regional Administration for the Inspection of Import and Export Commodities needs full support, coordination, and assistance from the State Administration for the Inspection of Import and Export Commodities, and from our commercial sector, in carrying out its inspection work in order to develop the autonomous region's foreign trade and economy. We are here to discuss, with the autonomous regional administration for the inspection of import and export commodities, ways of tailoring commodity inspections in the autonomous region to foreign trade and economic development in Tibet, so that such inspections can keep pace with economic development in the autonomous region." [video shows long shots of a young man interviewing a middle-aged man in Western business suit]

[Reporter] "Considering the attention paid to Tibet by the central authorities and the assistance given by the whole country to Tibet, could you state your requirements for inspections of import and export commodities in Tibet?"

[Zhou] "We believe economic and foreign trade development in Tibet are interconnected. The Tibet Autonomous Regional Administration for the Inspection of Import and Export Commodities has to work harder in conjunction with the development of the autonomous region's foreign trade. We believe the commercial sector should share responsibility with the Tibet Autonomous Regional Administration for the Inspection of Import and Export Commodities and give its full support to developing the autonomous region's foreign trade. I hope the autonomous regional administration for the inspection of import and export commodities would work harder and further improve its work in order to provide better service."

[Reporter] "Thank you."

In the afternoon, Toinzhub, vice chairman of the autonomous region, called on all members of the delegation from the State Administration for the Inspection of Import and Export Commodities at the place where they were staying.

Yunnan Governor Stresses Reform of Land-Use System

HK1210043094 Kunming Yunnan People's Radio Network in Mandarin 1000 GMT 7 Oct 94

[FBIS Translated Text] At yesterday's provincial work meeting on reform of the land-use system, Governor He Zhiqiang emphatically pointed out: It is necessary to intensify reform, strengthen land management, and raise Yunnan's land-use system reform and land management to a new level. He Zhejiang said: New successes have been achieved in the province's land management. 1) Land management has been strengthened according to the law, sparing use of land has been upheld, and the land-use examination and approval rules and regulations have been rigorously implemented, thus halting net losses in cultivated land. In the 1990-93 period, Yunnan's cultivated land witnessed an expansion of 490,000 mu. 2) Steps have been taken in the land use system. Fifty-six counties in the province have conducted unified land acquisition, 69 have carried out land-sale activities, and 66 have rectified spontaneous land trading, thus standardizing the real estate market and bringing more revenue to local financial departments.

He Zhiqiang said: The province's situation in land management and land-use system reform is fine, but there are some problems that should not be underestimated, such as laws that are being observed; land use approvals being done by overstepping one's authority; and land being used first, with approvals coming afterward. Moreover, in some development zones, cultivated

land is used excessively for purposes other than farming production, and requisitioned land is left unused. These problems need to be redressed.

After expounding on the great significance of the need to reform the land-use system, He Zhiqiang stated: It is imperative to strengthen macroregulation and control of the land market, to maintain a high-level government monopoly of the supply of land-use rights, to strengthen land registration rules and regulations, and to expand the scope of compensated land use. Next year, 80 percent of counties and cities should have pursued the practice of land-use rights sales. It is necessary to strengthen management of the previous administratively allocated land in cities and towns. In using such land, relevant state stipulations should be strictly observed. The right to dispose of land resources goes to the state. Land operators are not to dispose of their land without authorization. Those wishing to inherit, transfer, or rent land; to raise loans on their land; or to change the use of their land; should go through formalities with land management departments according to the law, and pay land-use rights sales fees and rents, or else the land returns to the state treasury. It is necessary to support enterprises in making flexible use of land assets, to accelerate transformation of old cities by using the [words indistinct] effect of land, and to establish and improve a collective land exchange system.

In conclusion, He Zheqiang said: It is imperative to strengthen leadership over reform of the land-use system and over management work, to conscientiously implement the basic national policy on land protection, to pursue a land-management target responsibility system, bring the functions of land management departments into full play, strengthen land law enforcement and supervision, intensify land management, promote economic development and social stability, and make greater contributions for the realization of the strategic goals of the second and third steps.

North Region

Beijing Sets Up Ethnic Group Education Network

OW0910135294 Beijing XINHUA in English 1254
GMT 9 Oct 94

[FBIS Transcribed Text] Beijing, October 9 (XINHUA)—A network of education for minority ethnic groups, consisting of pre-schooling, primary, middle-level and vocational education, has taken shape in Beijing.

The number of middle schools for minority ethnic groups in the city has increased from two before 1985 to ten, primary schools from 16 in 1982 to 36, and kindergartens from 13 to 41, according to the municipal nationality affairs committee.

The Beijing Municipal Educational Bureau attaches great importance to the training of teachers for minority

ethnic groups. For instance, nearly 1,000 teachers from more than 20 primary schools for minority ethnic groups in the city received training in turns in last couple of years and the expenditure of schools for minority ethnic groups has been increasing over the years.

In 1988 the municipal nationality affairs committee and the educational bureau jointly set up the society of education for ethnic groups, as a way to boost exchanges between schools and teachers in the field.

At the same time, municipal educational departments sent 63 senior teachers to Xinjiang, Ningxia, Yunnan and Tibet, areas mainly inhabited by minority ethnic groups. 12 districts and counties of Beijing also forged cooperative relations with 12 banners (counties) in Inner Mongolia.

Over the past few years, more than 180 cadres and teachers of minority ethnic groups have come to Beijing for further studies.

Inner Mongolia Areas Benefit From 'Spark Program'

OW1110123694 Beijing XINHUA in English 1137
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—North China's Inner Mongolia Autonomous Region has benefited from the "Spark Program" over the past years.

The program was launched by the State Science and Technology Commission in 1986, aiming at providing local economies and small and medium-sized enterprises, villages and township enterprises in particular, with applicable techniques.

Since the program was implemented in the region in 1986, the region has invested a total 300 million yuan (about 34.88 million U.S. dollars) in 271 key projects.

These projects have brought in an additional output value of 270 million yuan (31.39 million dollars) and added a gross profit of 58.43 million yuan (6.79 million dollars) over the past nine years.

At the same time, the region has sent an army of over 17,000 scientists and technicians to the rural areas to train more than 200,000 technical and management personnel for the township enterprises.

To develop a number of regional mainstay industries, a group of township enterprises and small and medium-sized enterprises have been selected as experimental zones. The region has channeled a special fund of nearly ten million yuan (1.16 million dollars) into these enterprises.

A north China technological development project for mutton industry has been launched in 14 banners or counties in nine leagues of the region, with an annual

lamb breeding capacity of 2.04 million. The exports of lambs last year in the region topped 2.14 million dollars.

To boost the economic development in the grassland, the regional science and technology commission and the relevant governmental departments have jointly built China's first prairie spark industrial area, specializing in processing all kinds of animal by-products, such as meat, milk, wool and fur.

In 1993, eight out of the first batch of 13 projects in the industrial area has gone into operation. In addition, the preparatory work of another spark industrial area in the Hulun Buir League is now well on its way.

According to local agricultural officials, millions of herdsmen in the region has benefited from the program. So far, the technology of seeds-packing has been used in planting wheat, corn and soybean in an area of 660,000 hectares in 60 banners and counties in the region.

More than 400,000 households in the region have gained an annual net per capita income of over 1,500 yuan (about 174.41 dollars) on average, the officials said.

They said that the region has now a total 28 million head of domestic animals of improved variety, accounting for 55 percent of the total.

Inner Mongolia Increases Air Service

OW1110140794 Beijing XINHUA in English 1350
GMT 11 Oct 94

[FBIS Transcribed Text] Hohhot, October 11 (XINHUA)—The vast and land-locked Inner Mongolia Autonomous Region has set up an air transportation network extending to major cities elsewhere in China and the rest of the world.

An official of the regional government said that the network, with the capital of Hohhot as the center, links Inner Mongolia with 28 big cities in China, Hong Kong and Ulaanbaatar, capital of the Republic of Mongolia.

The official said that Inner Mongolia has opened 24 air routes to major cities inside China, including Beijing, Wuhan, Shanghai, Guangzhou and Shenzhen.

In the past, civil aviation of the autonomous region grew slowly, with only five air routes in 1984.

"The autonomous region has achieved marked progress in the civil aviation industry in the past decade," said the official.

According to the official, over the past decade, the Civil Aviation Administration of China and the regional government have spent a total of 180 million yuan enlarging and rebuilding seven airports in the Hohhot, Baotou (an iron and steel production center), Chifeng, Xilin Hot, Ulan Hot and Hailar.

Local airports have also introduced advanced navigational equipment from other countries, he said.

The Hohhot and Hailar airports now can accommodate big jet airliners such as Boeing 737s and MD-82s, while other airports can handle passenger planes like BAE-146.

Inner Mongolia Firm, Universities Train Technicians

OW0910031894 Beijing XINHUA in English 0233
GMT 9 Oct 94

[FBIS Transcribed Text] Hohhot, October 9 (XINHUA)—The Baotou Iron and Steel Company has achieved notable results in training senior technicians through cooperation with institutions of higher learning.

Up to now, 212 young technicians have graduated from colleges and reinforced the backbone force in promoting the company's development.

Among them, three have been awarded prizes and seven are promoted to become senior engineers for their outstanding services in scientific research.

Located in north China's Inner Mongolia Autonomous Region, the company is a major iron and steel manufacturer and the largest rare-earth researching and producing center in China.

Years ago, the company sent a group of young technicians to the Beijing University of Science and Technology, the Beijing Medical Science University, the Northeast China University, and Fudan University to study metallurgy, automatic control, computers, medicine and other knowledge.

While in school, the students kept in mind the problems they met in production and tried to find ways to solve them.

Meanwhile, the universities are able to introduce courses in accordance with production needs of the enterprise.

National Defense Highway Built in Inner Mongolia

SK0810010294 Hohhot NEIMENGGU RIBAO in Chinese 23 Sep 94 p 1

[By reporter Cui Dongwang (1508 2639 2489): "The Wulanhua-Saihantala Highway Completely Open to Traffic"]

[FBIS Translated Excerpt] The Wulanhua-Saihantala national defense highway was completed a year ahead of schedule, and the entire line has been opened to traffic.

This highway is our region's key communication project for the Eighth Five-Year Plan, as well as a vital communication line between the capital of the autonomous region and the central and eastern areas. This 172-kilometer-long highway was jointly built by the Ulanqab and Xilin Go! Leagues, with the Ulanqab League section being 130 kilometers in length. The state invested 60.50 million yuan in this section. [passage omitted]

Tianjin Sets 'Record' in Using Foreign Funds

SK0810095694 Tianjin TIANJIN RIBAO in Chinese 25 Sep 94 p 1

[FBIS Translated Text] Since the beginning of this year, Tianjin has made a big breakthrough in using foreign funds and has set a record high in six major targets.

These six major targets are: 1) A record has been set in the amount of foreign funds directly utilized. From January to August, Tianjin maintained a strong trend of increase in direct utilization of foreign funds. The amount of contracted investment covered by the projects using foreign funds reached \$3.23 billion, of which the amount of foreign funds was \$2.39 billion, an increase of 21 percent and 40 percent over the same period last year, a period with the largest increase margin in history. 2) A record has been set in the increase of large projects. Thus far, more than 100 international and trans-national companies have made investment in Tianjin, and Tianjin has already become a hot place for investment by large companies from Europe, the United States, Japan, ROK, and Taiwan. In the first eight months of this year, Tianjin approved 47 large projects each with an investment of \$10 million or more, 1.5 times the figure in the same period last year. 3) A record has been set in the increase of real estate projects, with the rebuilding of dangerous shabby houses as the mainstay. Foreign investment in Tianjin's real estate trade has suddenly come to the fore and developed in an unprecedentedly great scale. The amount of investment in this aspect reached \$1.227 billion, 1.2 times the total in the past 15 years. This has played an important role in raising the housing level of citizens and in improving the outlook of cities. 4) A record has been set in the rate of placement of foreign funds. By the end of August, the actual input of foreign funds reached \$700 million or more, 1.3 times that in last year. Approximately 10 billion yuan in Renminbi of funds have already been or will soon be invested in Tianjin. 5) A record has been set in Tianjin's place in the country in terms of the foreign funds directly utilized. Tianjin has leaped to the advanced ranks of the country in terms of the increase scale and the amount of foreign funds utilized. Tianjin Development Zone ranks first in terms of seven major targets among all state-level development zones in the country. 6) A record has been set in the economic returns of investment in foreign-funded enterprises. From January to August, the total industrial output value of foreign-funded enterprises of three types throughout the municipality increased by 140 percent, greatly higher than the increase rate of 15.8 percent of the total output value of the industry at or above the township level. The total output value of the foreign-funded enterprises of three types has accounted for one fourth of that of the industry at or above the township level. Spurred by foreign-funded enterprises of three types, a number of newly risen pillar industries with an international level have become a new economic growth point with a strong momentum.

Rural Enterprises Become 'Backbone Force' in Shanxi

OW1210080094 Beijing XINHUA in English 0720 GMT 12 Oct 94

[FBIS Transcribed Text] Beijing, October 12 (XINHUA)—A number of rural enterprises which are large and efficient and produce high quality commodities have sprung up in north China's Shanxi Province in recent years.

These enterprises have become a backbone force in the province's economic development. The key for the success of the enterprises is their close contacts with local scientific research institutes, and their use of foreign investment, said an official from the Shanxi provincial rural enterprise corporation.

Many enterprises introduced new technology to process local raw materials instead of selling primary products as before. Some combined traditional production skills with new foreign technology to increase product variety.

As a result, the annual output value of 270 rural enterprises exceeded 100 million yuan (11.6 million U.S. dollars) each.

Their products covered a wide range of fields including fire-resistant materials, activated carbon, iron and steel, liquor and paper.

Shanxi Government Encourages Farmers To Diversify

OW1110050294 Beijing XINHUA in English 0339 GMT 11 Oct 94

[FBIS Transcribed Text] Taiyuan, October 11 (XINHUA)—Farmers in the poverty-stricken area of north China's Shanxi Province have greatly benefited from the booming animal husbandry over the past years.

Over 50 counties in the province had suffered from poverty, where the average annual income per capita is below 300 yuan. The population of poor farmers reached 3.8 million people, accounting for 12 percent of the province's total.

To boost the local economic development and help the farmers to get rid of poverty, the provincial government has taken steps to encourage farmers in the poor areas to develop a diversified agriculture.

About 30 percent to 40 percent of the money the government allocated to aid the poor has been channeled to boost cash crop planting and domestic animal breeding.

Kelan County, one of the poorest in the province, raised 240,000 head of sheep by making use of its large stretches of grass slope land. There are more than 700 households each raising 100 head of sheep.

Meanwhile, the county has also built processing factories for wool and fur products.

In Wuzhai County, the sunflower planting area has expanded to 20,000 hectares, yielding 25 million kg sunflower seeds. More than 80,000 farmers have now benefited from it and become prosperous.

Northeast Region

Heilongjiang Holds Forum on Comprehensive Reform

SK1110025594 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 10 Oct 94

[FBIS Translated Text] The ninth provincial forum on county-level comprehensive reform experimental work ended in Huachuan today. The forum pointed out: In county-level comprehensive reform, we should accelerate the building of the socialist market economic system and coordinate the development of the county economy, regard them as our objective, and accelerate the development of county economy in all localities.

Our province has 20 key comprehensive reform experimental counties and cities. At present, 70 percent of enterprises in Huachuan, Hailun, and Shuangcheng have conducted reform of the property right system and witnessed noticeable changes. From January to August this year, the growth rate of economic development of these 20 experimental counties and cities were higher than the province's average economic development level, of which, the growth rate of Huachuan, Hailun, Fujin, and Bayan were more than 20 percent.

In close connection with the strategic ideology of the provincial party committee on opening up the second battle field and achieving a 300 percent increase on schedule, the forum conducted extensive and in-depth talks on the topics of accelerating the development of county economy and the establishment of new mechanisms. Huachuan, Hailun, Zhaodong, and Beian introduced their experiences in reforming the property right system and integrating the urban and rural economies.

Heilongjiang Province Arranges Autumn Farm Work

SK0910050794 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 8 Oct 94

[FBIS Translated Excerpt] On the afternoon of 8 October, after two days in session, the provincial on-the-spot conference on soil preparation for autumn planting and on water conservancy capital construction ended in Shuangcheng.

During the conference, the participants visited the scenes of Shuangcheng's preparations for autumn planting and construction of water conservancy works as well as small agricultural development zones; heard the experiences of the cities and counties of Shuangcheng,

Suihua, Gannan, and Zhaoyuan; and relayed the guidelines of the national water conservancy work conference.

In his speech, Acting Governor Tian Fengshan analyzed the 1994 rural economic development situation of the province.

He said: The provincial agricultural and rural economic situation is good this year. It is a foregone conclusion that the province will elevate its grain output to new heights. Total grain output is expected to exceed 25 billion kg. Town and township enterprises have maintained a rapid development trend. In the first nine months of this year, the major economic targets of town and township enterprises were higher than those of the same period last year. As of the end of this year, the output value of town and township enterprises is expected to total 60 billion yuan. The proportion of animal husbandry output value to the total agricultural output value will increase by 2 percentage points this year. The rate of increase of the peasants' income will be higher than in previous years, with the peasants' income increasing by more than 100 yuan over 1993. However, under such good situations, we should be sober-headed and see the problems and difficulties head-on, should further develop the gratifying situation in rural areas, and should accelerate the pace of comprehensively developing the rural economy.

Vice Governor Sun Kuiwen made specific arrangements for this year's preparations for autumn planting, farmland water conservancy construction, and agricultural development work.

He said: This year, 40 million mu of land should be turned up, an increase of 5 million mu over 1993. With much rainfall expected this autumn, we will meet more technological difficulties in soil preparations. Thus, the time for autumn soil preparation will be prolonged. Affected by floods and waterlogging, some water conservancy works across the province were seriously damaged, so more efforts should be made to repair these works. The price of diesel oil for farm use has risen following the merging of parity prices with negotiated ones. Thus, the funds for purchasing diesel oil for farm use will be doubled over previous years. We should clearly explain to the masses of peasants and grass-roots cadres that the policies on increasing diesel oil and grain prices were made by the state after taking the overall situation into consideration, and that this reform will finally bring benefits to the peasants. [passage omitted]

Sun Kuiwen stressed: We should accelerate the pace of comprehensively developing agriculture. From 1994 to 1996, the province plans to develop 93 small agricultural zones with a total investment of 917 million yuan. The small agricultural zones that have been developed should take the opportune time of autumn and winter to round off their projects, repair projects that were damaged by floods and waterlogging, clear silt, and reinforce dikes so as to make their projects attain the designed targets and bring their efficiency into full play. Agricultural

machinery; petroleum; communications; transportation; power industrial; and water conservancy, financial, and banking departments should be organized to render service in a unified manner and to make due contributions to our province's agricultural development.

Jilin's Changchun Sets Up 'Biggest' Auto Center

OW0910134494 Beijing XINHUA in English 1222
GMT 9 Oct 94

[FBIS Transcribed Text] Changchun, October 9 (XINHUA)—China's largest auto wholesale market opened here today in the country's biggest auto-making center of Changchun, in the northeastern Jilin Province.

The market, which was jointly built by the Ministry of Internal Trade and the Changchun Municipal Government, is another national wholesale market for sales of motor vehicles after the establishment of the Shanghai auto wholesale market last year.

With a floor space of nearly 80,000 square meters, the Changchun auto trading city includes primarily three major markets, namely the auto parts market, auto supermarket and auto trading center. The three markets opened to business today, too.

Being planned is an auto exhibition center occupying 70,000 square meters in floor space and a complex building dealing with auto parts, which will bring the total space of the auto trading city to 280,000 square meters.

Meanwhile, a price information center for automobiles will be built here by the State Planning Commission to guide China's automobile production and trade.

Liaoning Tries 10 'Serious' Economic Convicts

SK0910011194 Shenyang LIAONING RIBAO in Chinese 22 Sep 94 p 1

[FBIS Translated Text] The intermediate people's court of Shenyang held an open trial on 21 September to sentence 10 criminal elements involved in eight serious and appalling economic cases to six years imprisonment and death (with reprieve) on charges of embezzlement and accepting bribes.

The bribe acceptance of Guan Weiguo, former first vice chairman of the Shenyang Economic System Reform Committee, executive vice chairman of the Shenyang Stock Committee, and concurrent chairman of the Shenyang Stock Supervisory Committee, was concluded in one trial. He was sentenced to six years imprisonment on charges of accepting bribes. During his tenure, Guan Weiguo accepted 30,000 yuan Renminbi in bribes from the Shenyang Mulan Electronic Corporation and the Shenyang Taxi Company, taking advantage of his power to manage and approve stock issuance and stock sales from early 1993 to August of that year. He also accepted 5,000 yuan in bribes from the Shenyang Fangtian Shareholding Company for issuing certificates of shareholding

rights. After the case was exposed, the bribes accepted by Guan Weiguo and the certificates of shareholding rights were recovered. Ji Xianliang, an employee of the first nonstaple foodstuffs company of Heping district in Shenyang, embezzled 295,000 yuan of his company's funds for goods purchase, then lost all the embezzled money playing the slot machines. After the case was exposed, convict Ji returned all the money he had embezzled. He was sentenced to death, with a two-year reprieve, on charges of embezzling public funds.

Most of the convicts tried at the open trial on charges of embezzlement are employees and managerial workers of enterprises and establishments. By taking advantage of their work, they wantonly embezzled the wealth of the state and the collectives. For example, Li Weihua, an employee of the Chemical Industrial Import and Export Company of Shenyang, and Liu Dawei, deputy director of a section within the company, caused the state 2 million yuan in losses in order to receive more than 120,000 yuan in "commissions" during their business activities. Convicts Li and Liu were sentenced, respectively, to life and six years imprisonment.

Liaoning's Shenyang To Become 'Commercial Hub'

OW0910141094 Beijing XINHUA in English 1350
GMT 9 Oct 94

[FBIS Transcribed Text] Shenyang, October 9 (XINHUA)—Shenyang, capital city of Liaoning Province, is becoming a communications, banking and commercial hub in northeast China.

Last year Shenyang registered 37.4 billion yuan of GNP and seven billion yuan of industrial output value, increasing 15.2 and 21.3 percent respectively compared with the figures in 1992.

As a traditional heavy industrial base in China, Shenyang has well fostered the heavy industry. Its large and middle-sized enterprises mainly manufacture planes, machine tools, power transmission facilities, mining machinery and universal machines.

Shenyang is also a hub of communications in northeast China. The railway and expressway networks, as well as air and water transportation networks connect shenyang with other provinces and neighbouring countries, such as Russia, Mongolia and Korea.

In addition, Shenyang has updated its telecommunications system, adopting programme-controlled and mobile phones, and satellite telecommunications.

Up to 1993, some 2,000 financial institutions have been established in shenyang as a result of the booming banking business. Stock exchange business also thrived, along with the establishment of many stock exchange firms.

Economic growth has led to the prosperity of market and commerce in Shenyang. Last year, its gross sales of commodities hit 41 billion yuan, and import and export value totaled 1.09 billion yuan.

Due to the open policy, the Shenyang Economic and Technology Development Zone and the Nanhu High-Tech Development Zone have become hot spots of foreign investment.

Jiang Zemin Receives Taiwanese Business Group

OW1110134494 Beijing XINHUA in English 1314
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), met with a Taiwan business delegation led by Cheng-fa Hsui [name as received] here today.

Jiang first extended his welcome to the visiting Taiwan economic and trade delegation sponsored by Taiwan Federation of Industrial and Commercial Enterprises.

"We are all Chinese," said Jiang, adding that both sides of the Taiwan Straits have their own distinctive features in economic development and are mutually complementary to each other in the development.

"Such features call for enhanced exchanges and cooperation," he said, "it is of mutual benefit if both sides achieve fast economic development."

Hsui thanked Jiang for the meeting on behalf of his delegation. He expressed his willingness to do his utmost to overcome difficulties to boost economic and trade relations between both sides of the Taiwan Straits.

Wang Zhaoguo, head of the Taiwan Affairs Office of the CPC Central Committee, was present at the meeting.

Li Lanqing Meets With Delegation

OW1110135794 Beijing XINHUA in English 1333
GMT 11 Oct 94

[FBIS Transcribed Text] Beijing, October 11 (XINHUA)—Vice-Premier Li Lanqing met here today a Taiwan business delegation led by Taiwan business tycoon Cheng-fa Hsui [name as received].

Li introduced the economic development and industrial policies in the Chinese Mainland as well as the development of its auto industry after extending his welcome to the 16-member delegation organized by Taiwan Federation of Industrial and Commercial Enterprises.

As an expert who had long worked in China's automotive industry, the vice-premier said China has undergone a tortuous road in the development of automotive industry.

Now the Chinese Government has stipulated a series of industrial policies guiding the development of automotive industry, he said.

According to the new policy, China will encourage the development of automotive spare parts, the mould building and research and development.

The vice-premier said both sides of the Taiwan Straits have their own advantages. Enhanced co-operation will offset each other's weakness to facilitate both sides to take part in the international competition. "This is

beneficial for the economic development on both sides of the Taiwan Straits," he said.

Hsui introduced Taiwan's economic development and expressed his willingness to further economic and trade exchanges and co-operation with the mainland.

Wang Zhaoguo, head of the Taiwan Affairs Office of the State Council, was present at the meeting.

'Commentary' Calls for Calm in Cross-Strait Exchanges

OW1210050394 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 9 October 94

[From the "News and Current Events" program]

[FBIS Translated Text] Listeners and friends, after the Asian Games incident, certain Taiwan authorities have proposed temporarily halting or slowing down cross-strait exchanges. On this, our station editor (Liao Xuefang) has written a commentary, entitled "Calmly Promote Cross-Strait Mutual Construction and Cooperation."

The commentary says: Cultivating mutual construction and promoting cooperation is what the Taiwan authorities frequently stress. However, whenever there is the slightest hint of trouble, the Taiwan authorities downplay their words and threaten to halt or slow down cross-strait exchanges. The Asian Games incident is one such example. The Hiroshima Asian Games is a magnificent gathering of the Asian sports world that should be endowed with sporting spirit. However, to attract the international community's attention to Taiwan's existence, the Taiwan authorities meticulously planned to send the island's political figures to the Asian Games. First, Mr Li Denghui [Li Teng-hui] intended to attend the Games' opening ceremony as a head of state. After his plan was rejected, Xu Lide [Hsu Li-te] then carried out activities in Hiroshima to try and justify bidding for the Asian Games. Whether the visit of Taiwan's political figures to Hiroshima was solely for sports purposes or not, the outside world will make its own judgment. It is understood that Mr Xu himself also confessed that his visit to Hiroshima could not possibly exclude political significance. Further, he actually conducted activities in Hiroshima in his capacity as a vice premier.

Taking sovereign rights into consideration, the mainland naturally had to react to Taiwan's action of using sports diplomacy to promote two Chinas, as well as one China and one Taiwan, because it is a question of principle. The mainland cannot give concessions on the question of principle. This is already widely known by the international community. It is not unusual for the Taiwan authorities to stir up hostile feelings against the mainland because of this, and to halt or slow down cross-strait cultural, educational, and sports exchanges.

There is a saying on the island, that is, temporarily halting or slowing down cross-strait exchanges is a punishment for the mainland, and the mainland will pay a

price because of this. This saying is unilateral. In fact, exchanges between the two sides of the Taiwan Strait are natural in the development of cross-strait relations. It is not a favor from any particular side. Further, the two sides have always based their contacts on the principle of benefit-sharing as they both gain from such exchanges. Therefore, turning normal cross-strait exchanges into certain political chips, forcing the other side to accept one's own political theory, as well as threatening to temporarily halt and stop exchanges will only result in losses and misfortunes to both sides. Therefore, those who are concerned about the development of cross-strait relations must not turn a blind eye to this. In the final

analysis, to maintain normal cross-strait exchanges, the crux lies in upholding the principle of mutual construction and cooperation. To uphold mutual construction and cooperation, it is necessary to first develop calmness. We must always receive cross-strait exchanges in a mutually-beneficial spirit and not use them as political means or chips to punish and threaten the opposite side. Such action will not only be unfavorable to cultivating cross-strait mutual construction and cooperation, but also go against the wish for unity of the people on both sides of the Taiwan Strait. Unity among the people will also not be possible within the foreseeable future. This is probably not what the Taiwan authorities wish to see.

Dominican Republic, Niger's Support for UN Seat Cited

OW1210085094 Taipei CNA in English 0805 GMT 12 Oct 94

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, Oct. 12 (CNA)—The Dominican Republic's positive stance toward the Republic of China [ROC] is clear and unequivocal even though the Central American country failed to speak out in favor of the ROC's bid to join the United Nations, Vice Foreign Affairs Minister Fang Chin-yen said Wednesday [12 October].

Fang made the statement in response to an inquiry from Kuomintang legislator Chiang Wei-ping about the implication of the Dominican Republic's failure to voice its support for the ROC's UN bid in the ongoing UN General Assembly debate session.

Reports from New York said Dominican Foreign Affairs Minister Carlos Morales Troncoso did not mention the ROC's UN bid in his speech to the General Assembly session Tuesday. Morales only said in the post-Cold War era, confrontation among nations should give way to dialogue and compromise.

Fang said Morales' speech should by no means be interpreted as a sign that relations between the ROC and the Dominican Republic are insecure.

He pointed out that the Dominican Republic was one of the three countries that endorsed a proposal presented by 12 of the ROC's diplomatic allies earlier this year urging the UN to set up an ad hoc committee to study feasible ways for the ROC to join the world body. The Dominican envoy to the UN also spoke out in favor of the proposal during a UN general committee meeting held in September, Fang said.

"All these point to the Dominican Republic's positive stance toward our UN bid," Fang stressed, adding diplomatic ties between the two countries also remain firm and solid.

Diplomatic observers said Morales' low profile might be aimed at avoiding offending Beijing as the Dominican Republic needs Mainland China's support for its bid to become a non-permanent member of the UN Security Council. Morales also visited Beijing earlier this year with a view to promoting substantive ties with the mainland.

Meanwhile, Niger voiced its support for the ROC's UN bid Tuesday, bringing the number of countries that have so far made similar calls in this year's General Assembly session to 20.

Addressing the general debate session, Niger Ambassador Adamou Seydou said now that the world has evolved from an era of confrontation to an era of cooperation, the UN should pay special attention to the

membership application by any country which is willing to contribute to the UN cause with its economic strength and vitality.

Noting that the UN has professed the membership universality principle in its charter and has established a formula giving parallel representation to divided countries, Seydou said it was very regretful that the current General Assembly had failed to include into its agenda the proposal to set up an ad hoc committee to study ways for the ROC to join the world body.

Joint Communique Signed With Central African Republic

OW1210085394 Taipei CNA in English 0811 GMT 12 Oct 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 12 (CNA)—President Li Teng-hui of the Republic of China [ROC] and Central African Republic President Ange-Felix Patasse signed a joint communique Wednesday [12 October] pledging to strengthen bilateral cooperation between the two countries.

The joint communique notes that President Patasse invites President Li to make a visit to the Central African Republic, and President Li accepts the invitation with pleasure. Exact dates for the visit will be decided through diplomatic channels.

Under the joint communique, President Li particularly stresses that the Republic of China is a sovereign independent state and asks President Patasse to support the ROC efforts to win a full seat in the United Nations.

President Patasse pledges to back the Republic of China's right to represent its 21 million people in the United Nations separately from Mainland China's seat.

While expressing satisfaction at the progress in both countries and happiness with the friendly relationship between the two countries, the communique also notes that the two presidents will enhance such ties with concrete actions.

Li reiterates that the ROC is willing to give a helping hand to the Central African Republic's economic, technological, scientific, cultural and social development.

Both Li and Patasse are gratified with the results of the first meeting of the mixed committee between the Republic of China and the Central African Republic held in Taipei on March 23-28.

On the political trends in Africa and Asia, both presidents are satisfied with South Africa's black majority rule under the leadership of President Nelson Mandela and signs of detente in Asia.

Patasse, who arrived in Taipei last Friday, left Wednesday afternoon.

Taiwan Hopes To Join GATT by Next Spring*OW1210080294 Taipei CNA in English 0724 GMT 12 Oct 94*

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 12 (CNA)—Taiwan now hopes to join the General Agreement on Tariffs and Trade (GATT) by next spring, Economic Affairs Minister P.K. Chiang said Wednesday [12 October].

Chiang's statement was a clear revision of Taiwan's previous goal to enter the Geneva-based world trade regulatory body by the end of this year. Taiwan now holds observer status in GATT.

Chiang conceded that chances are slim for Taiwan to be accepted as a full GATT member before the year's end as the seventh meeting of the GATT working party on Taiwan's membership application has been postponed to late November. The meeting was originally scheduled for Oct. 24-25.

"We are now looking to complete all bilateral tariff consultations with the 25 GATT members which have requested such talks before the end of this year," he said.

The minister made the remarks while fielding a question raised by legislator Chiu Chui-chen of the opposition Democratic Progressive Party at the Legislative Yuan.

While bilateral tariff talks with South Africa and Malaysia have already been completed, Taiwan is accelerating similar talks with other GATT contracting parties, he said.

Talks with South Korea will be held in Seoul Oct. 17-18, and those with Argentina, Mexico, Uruguay, Colombia and Chile are scheduled for Oct. 18-19 in Geneva, where Taiwan will also meet with the European Union, the United States and Japan in late October.

Meanwhile, a CNA dispatch from Geneva said that while Taiwan may not be admitted into the 123-member GATT by the year's end, whether the World Trade Organization (WTO) can be established on Jan. 1 to supersede GATT is also uncertain.

Taiwan has worried that any delay in accession into GATT will impede its future membership in the WTO as all GATT signatories are set to become WTO members.

The report pointed out that the establishment of the WTO depends on the US Congress vote on Dec. 1, saying the US support will help ensure the beginning of WTO operations in time.

Twenty-one countries, including Taiwan, are seeking to join GATT by the end of this year in order to automatically become founding members of the WTO, the report noted.

The report quoted GATT officials as saying if the WTO ministers could reach a consensus, the 21 countries should not need to reopen talks on their WTO membership.

Taiwan No Longer Top Supplier of Machine Tools*OW1110085594 Taipei CNA in English 0727 GMT 11 Oct 94*

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, Oct. 11 (CNA)—Taiwan is no longer the top supplier of machine tools to Mainland China, a spokesman for the Taiwan Association of Machinery Industry said Tuesday [11 October].

In the first half of 1993, Taiwan exported US\$173 million worth of machine tools to Mainland China, accounting for 26 percent of total mainland imports and making Taiwan the largest supplier of machine tools for the mainland.

In the first half of 1994, the mainland's machine tool imports grew 50 percent to US\$1 billion. But imports from Taiwan totaled only US\$172 million, accounting for 17.2 percent of total imports.

Taiwan's market share fell to third, behind Germany and Japan, in that order, the spokesman noted.

Association Vice-President C.C. Wang urged the government to pay attention to the sluggish exports since Taiwan machine tool exports usually maintain nearly 100 percent growth on the mainland.

Wang attributed the export decline to the mainland's credit-tightening measures in the later half of 1993 and a series of loan agreements between Mainland China and German or Japanese manufacturers. The loans helped boost machinery imports from the two nations, while the credit-tightening measures cut imports of similar Taiwan products.

Trade Deficit With ROK Grows*OW1210082594 Taipei CNA in English 0756 GMT 12 Oct 94*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Oct. 12 (CNA)—Taiwan's trade deficit with South Korea continues to expand despite a slowdown in trade exchanges after the two countries severed diplomatic ties in 1992, the Board of Foreign Trade (BOFT) reported Wednesday [12 October].

Taiwan first posted a trade deficit with South Korea in 1989. By 1992, the deficit had grown to US\$1.15 billion. In 1993, it topped US\$1.26 billion, and has already grown to US\$0.85 billion in the first nine months of this year, boft officials quoted customs tallies as saying.

South Korea, consistently a major rival of Taiwan on international markets, has been continuously grilling Taiwan with exports of its low-cost petrochemical and steel products to world markets, including Taiwan.

South Korea also forced Taiwan to import Korean compact cars and apples through annual trade talks held to maintain formal ties in the years before it shifted recognition from Taiwan to Beijing in 1992.

A loser on the diplomatic front, Taiwan has posted some victories in trade negotiations with South Korea since then.

In trade negotiations held in May and July this year, the two countries reached consensus on fruit trade with Taiwan agreeing to import Korean apples and South Korea agreeing to import an equivalent value of Taiwan bananas, lichi, oranges, onions and garlic.

Taiwan, however, declined to yield during the two negotiations to allow imports of Korean compact cars similar to pre-1992 import agreements.

The officials said Taiwan should use the "diplomatic setback" as leverage in future trade negotiations. "It serves a great opportunity for Taiwan to address its trade imbalance with South Korea," they said.

Council Says Island To Suffer From Rice Imports

OW1010135994 Taipei CNA in English 1327 GMT 10 Oct 94

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, Oct. 10 (CNA)—Taiwan is likely to suffer from the opening of its rice market upon its accession into the General Agreement on Tariffs and Trade (GATT), the Council of Agriculture (COA) said Monday [10 October] in an assessment report.

Taiwan must allow in rice imports in its bid to join the Geneva-based world trade regulatory body. Taiwan now holds observer status at GATT and hopes to become a full member by the end of the year.

The report said rice imports will definitely drive down both domestic prices and rice acreage, thereby causing a decline in both farmers' incomes and rice self-sufficiency at home.

In addition, it noted, rice imports will also have a negative impact on the fertilizer industry, experimental farms, rice-husking mills, the effective use of water resources, and the research and development of pesticides.

The damage is expected to be great because rice production costs in Taiwan are two to three times higher than those in Thailand and the United States, which means Thai and US rice is much cheaper, COA officials elaborated.

During the ongoing bilateral consultations with GATT contracting parties on Taiwan's membership application, a large majority asked Taiwan to adopt the "Japanese formula" to open its rice market.

Under the Japanese formula, the officials said, rice imports will equal up to 4 percent of domestic consumption in the first year of the market opening, increasing to eight percent by the sixth year.

As a result, Taiwan will import 55,000 metric tons of rice and reduce rice plantation by 13,000 hectares in the first year of the market opening, and imports will reach 110,000 metric tons and plantation will be cut by 26,000 hectares by the sixth year.

Economic Conference with Mexico Slated for 13-16 Oct

OW1010085694 Taipei CNA in English 0817 GMT 10 Oct 94

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, Oct. 10 (CNA)—The sixth Republic of China [ROC]-Mexico Joint Economic Conference is scheduled to open Thursday [13 October] in Taipei with nearly 100 business and industrial leaders from the two countries participating.

The joint economic conference, aiming to accelerate investment cooperation so as to boost economic growth in both countries, is being co-sponsored by the Council of Mexican Enterprises for International Affairs (CMEIA) and the Chinese National Association of Industry & Commerce (CNAIC).

Natal Altamirano, chairman of CMEIA'S Mexico-ROC Economic & Trade Committee, and CNAIC Chairman Jeffrey Ku will jointly preside over a ceremony opening the conference to be held at the Far Eastern Plaza Hotel in downtown Taipei.

The conference will focus discussions on bilateral trade development and investment policies. It will also divide into six panels to deal with six major areas of trade: garments, footwear, sporting goods and wear, auto parts and machinery, computers and electronic parts, and services, according to a CNAIC official.

A "Mexican Week," featuring Mexican food, folk dancing and songs, and films and lectures promoting Mexican tourism, will be held simultaneously at the hotel.

Mexico, located at the southernmost tip of the North America with rich natural resources, a stable political situation and an abundant and cheap labor force, serves as a superb gateway for inroads into the vast markets of both North America and Latin America, the CNAIC official noted.

In addition to its excellent geographic position, he said, Mexico is a member of the North American Free Trade

Agreement and a signatory of the Group of Three, which includes Colombia and Venezuela. It is also planning with other Central American countries to form the Central American common market.

With these strong points, Mexico attracted some US\$38 billion worth of foreign investment in less than five years between December 1988 and October 1993.

Taipei and Mexico City agreed to exchange trade and cultural offices last year. The Taipei Economic and Cultural Office in Mexico became operational in October, 1993, while Mexico's office in Taipei opened early this year.

Bank of Taiwan To Open Branch in Singapore

OW1110145594 Taipei CNA in English 1420 GMT 11 Oct 94

[By Bear Li]

[FBIS Transcribed Text] Taipei, Oct. 11 (CNA)—The Finance Ministry on Tuesday [11 October] endorsed a plan by the Bank of Taiwan [BOT] to establish a branch in Singapore.

This will bring the number of Taiwan banks in Singapore to three. First Commercial Bank and Chiao Tung Bank are already operating branches in the city-state.

Finance Ministry officials said the BOT Singapore branch will focus operations on providing service to traders in Asian currency units, or ACUs, thus avoiding possible sharp competition with the other two Taiwan banks.

First Commercial Bank largely concentrates on providing loans to Taiwan enterprises in Singapore.

According to statistics of the Singapore Monetary Authority—that country's central bank—there are 198 local and foreign banks engaging in ACU trading in that country, with an average daily turnover of US\$85.4 billion.

With 20 percent growth for the whole of Singapore's monetary sector and 8.6 percent growth in ACU trading last year, the officials said prospects are promising for the BOT to share the pie.

Airlines Plan To Begin Taipei-Fukuoka Service

OW0810082494 Taipei CNA in English 0651 GMT 8 Oct 94

[By Victor Lai]

[FBIS Transcribed Text] Tokyo, Oct. 8 (CNA)—Taiwan's Eva Air and Japan's Air Nippon Friday [7 October] submitted their applications to the Japanese Transport Ministry to begin operations on the Taipei-Fukuoka air route on Dec. 12.

Under their plans, the two airlines will cooperate to operate one flight every day, with four flights weekly by Eva Air and three flights weekly by Air Nippon. The two airlines' flight numbers will be the same and they will each sell half of the seats for all flights.

Eva will use a Boeing 767-300 to serve on the new route. Air Nippon will lease both the aircraft and the crew from its parent company, All Nippon Airways, in the initial period.

The two airlines have been allowed to offer service between Taipei and Fukuoka following an agreement reached in August. Since 1975, only China Airlines and Japan Asia Airways, a wholly-owned subsidiary of Japan Airlines, have been allowed to serve on the Taiwan-Japan air route.

For Air Nippon, the fourth largest airline in Japan, this will be its first regular international service.

Editorial on 4th Plenary Session of 14th CPC

OW0710114894 Taipei CHUNG KUO SHIH PAO in Chinese 29 Sep 94 p 3

[Editorial: "The CPC Should Frankly Face the Changes of the Times and Pragmatically Adjust Its Dictatorial Rule—A Commentary and Analysis of the Fourth Plenary Session of the 14th CPC Central Committee (CPCCC)"]

[FBIS Translated Text] The four-day Fourth Plenary Session of the 14th CPC Central Committee ended in Beijing yesterday. In addition to adopting the "CPC Central Committee Decision on Some Major Issues on Strengthening Party Building," the session made a partial adjustment of the high-ranking members of the CPC. The following two matters are the most significant of the session: 1) Further strengthening the unity and fighting capacity of the party's grass-roots organizations; 2) establishing a post Teng [Deng]-era organ of power composed of high-ranking members with Chiang Tse-min [Jiang Zemin] as the core, and other members of the Shanghai leadership as ordinary members.

Confronted by the approaching problem of political successors, the CPC has been vigorously strengthening the power base of General Secretary Chiang Tse-min and urgently promoting the building of grass-roots organizations. This shows that the CPC is very worried about the social and political changes which might emerge on the mainland after Teng Hsiao-ping [Deng Xiaoping] is gone. At the same time, the action taken by the CPC also shows that the CPC is officially advancing toward the "Chiang Tse-min era." The communique of the session called on "the whole party to closely rally round the party Central Committee with Jiang Zemin as the core"; the session also appointed Wu Pang-kuo [Wu Bangguo], secretary of the Shanghai municipal party committee, member of the Secretariat, and Huang Ju, mayor of Shanghai, member of the Political Bureau. This is like sending a message to people inside and outside China.

Of course, only practice can prove whether Chiang Tse-min will be able to maintain the political stability of the Chiang Tse-min era by strengthening the high-echelon power base and the fighting capacity of high-echelon party organizations. A saying has been spreading on the mainland recently. It roughly reflects the worries of the CPC Central Committee. This is not merely a rumor. The content of the saying is: "The CPC is the ruling party; local authorities are the liberal party; enterprises are the party not in office; the countryside is the opposition party." However, to the CPC Central Committee, strengthening unity within itself and enhancing the fighting capacity of grass-roots organizations can certainly strengthen the CPC's ruling ability on the mainland, but it is insufficient to ensure long-term stability for the Chinese Communist regime by merely strengthening the party.

In fact, judging from the current situation, Chiang Tse-min's power base seems strong enough. In five short years Chiang Tse-min, who was designated by Teng Hsiao-ping as the successor, has assumed the posts of party general secretary, president of the state, and chairman of the Central Military Commission, wielding party, government, and military powers by himself. Moreover, under him the Organizational and Propaganda Departments of the CPC are under the hands of his trusted followers. At present, among the leaders of the CPC, no political figures seem to have sufficient power to challenge the authority of the CPC. As for party grass-roots organizations, the CPC is the only ruling party on the mainland; it is not being subjected to any tangible challenges from other political organizations; its leading authority is still unique.

Therefore, the current attempt by the CPC leaders to strengthen grass-roots party organizations is not aimed at the organizational structure itself. It is aimed at tackling the problem of the loss of revolutionary ideals among party members. If the CPC fails to effectively eliminate corruption existing universally among party members and continues to allow large numbers of leaders of grass-roots party organizations to ignore the objective of serving the people and to indiscriminately collect fees from the people, the situation of the grass-roots organizations becoming the object of opposition by the people will become increasingly serious. In 1992 CPC General Secretary Chiang Tse-min expressed his dissatisfaction with this situation. He said: "The valiant grass-roots cadres care only for sowing, not harvesting; and the angry peasants curse and swear." This reflects the problems existing in the CPC grass-roots organizations.

Obviously, if the CPC wants to rebuild its grass-roots organizations, it must correct, as soon as possible, the vicious circle—cadres are divorced from the masses and party members have replaced revolutionary ideals with the pursuit of money and power. Otherwise, the further disintegration of the party organization will be inevitable. When a party can no longer use "revolutionary ideals" to call on the masses to follow its cause and when

grass-roots party leaders are riding roughshod over the people in rural areas and are corrupted and degenerated, an organization, no matter how strong it looks, is strongly only superficially. However, the CPC Central Committee has shifted the emphasis of its work from class struggle to economic construction and the establishment of a market economy. It will be difficult to again resort to the methods used in the past to regain revolutionary ideals.

In our view, at a time when society on the mainland is undergoing a rapid change, with economic activities rising in intensity, the most urgent task for the CPC is to adapt itself to the changes of the times, adjust its dictatorial function of controlling everything, open up grass-roots organizations so that they can be effectively supervised by the people, allow party organizations to strengthen their service function in the tides of a market economy, and replace its past dictatorial role—the main purpose of which is controlling the people. In fact, some CPC grass-roots organizations along the coastal areas in the mainland have intentionally or unintentionally adjusted their dictatorial role. The party organizations and cadres in these areas are being rapidly divorced from their professional role of handling party affairs, plunging into the big tide of economic development, and becoming economic entities and "party businessmen." When a CPC grass-roots party official hands somebody a name card, in addition to his official title the card usually lists him as the board chairman of an enterprise. This phenomenon points to the trend that local grass-roots party organizations on the mainland have become commercialized and that their role is changing.

We are not encouraging the CPC organizations or their leaders to engage in business, but if the CPC Central Committee wants to streamline its grass-roots organizations, it should have market awareness and accept supervision and competition, and should not continue to insist on being the one and only store, allowing no branch office. Therefore, under the present situation in which the CPC Central Committee still adheres to the principle of making economic construction the central task, the demand of the Fourth Plenary Session of the 14th CPC Central Committee for strengthening the grass-roots party organizations' capacity of controlling society is, in fact, an overlook of the essence that the times are undergoing a rapid change.

At the present stage, what the people on the mainland need is no longer a political strongman like Mao Tse-tung [Mao Zedong] and Teng Hsiao-ping, or the leadership of the CPC, but a more spacious living space. The CPC is attempting to strengthen its grass-roots political power and its capacity to control society and the people by relying on its grass-roots party organizations. To the CPC itself, this seems no cause for criticism; but in our view, the CPC Central Committee should recognize the times are changing and that economic pluralism has completely changed the foundation of the society under the rule of the CPC. The CPC leadership should adopt a more pragmatic attitude and adjust the CPC's ruling system; it should not seek to promote revolutionization again.

Hong Kong

Patten Reiterates 'Faith' in Joint Declaration

HK0910080294 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 9 Oct 94 p 17

[Article by Hong Kong Governor Chris Patten]

[FBIS Transcribed Text] I said in my address to the Legislative Council last Wednesday that Hong Kong has come through the decade since the signing of the Joint Declaration in very good shape. Hong Kong has been self-evidently stable and palpably prosperous. I do not think anyone seriously doubts this. The doubts that do exist are of course about the future and here I have detected in recent months a cynicism about the Joint Declaration that I find alarming.

You will have heard the arguments that the Joint Declaration is diplomatic form, not legal, economic, and social substance. That it was never intended to be a literal prescription for preserving Hong Kong's free enterprise way of life after 1997. That it was naive for the people of Hong Kong to believe the promises made by the present and the future sovereign powers about "one country, two systems" and "a high degree of autonomy" for Hong Kong.

I do not accept these arguments for one second and nor, I believe, do the people of Hong Kong. I want to make it absolutely clear that the Joint Declaration means exactly what it says.

I cannot speak for China but I believe that the Chinese leaders and officials who worked with us to create the Joint Declaration did so in good faith. I hope that there is a recognition on the Chinese side that Hong Kong's present way of life is an integral part of its success.

I hope it is well understood that Hong Kong depends on its laws, its efficient and honest civil service, its freedom of expression and its sheer "oomph" for its success. That without its institutions and liberties Hong Kong would be a very different place. And the Joint Declaration states categorically that Hong Kong is not to be a different place; that Hong Kong is to retain its special way of life.

It was with these thoughts in mind that I set myself the task of spelling out what I see as the priorities for the remaining 33 months of British sovereignty. As I said to members of the Legislative Council on Wednesday, I am determined to do everything in my power to make a success of the transition and to make a reality of the Joint Declaration. That is why I have set three major priorities for my administration.

First, the community expects its government to govern. We must therefore get on with the business of government. This means making the decisions which have to be made. It means delivering the services which the community expects and it means providing the support and

infrastructure our businesses need to compete successfully. That is why we have presented over 300 new initiatives covering issues such as support for business, health care, the elderly, one-parent families, and housing. This is the detail of government and details matter because they affect directly every family and every business in Hong Kong.

Second, I set out my view of what an accountable executive-led government should be. It is only by being accountable to the Legislative Council and the community that we in the government can identify the community's priorities and frame our policies to meet them. That is why we have published a progress report on the 221 initiatives which I announced in my first policy address and why we have published 22 policy commitments covering the full range of the government's work. This is accountability in action. It is the very essence of good government.

Third, I set out a sensible and practical set of proposals to improve cooperation with China during the remainder of the transition. These proposals are a genuine attempt to put past differences behind us and to move on. If the Chinese side have any other ideas for cooperation which they want to discuss, we'll be happy to talk about them. The people of Hong Kong expect Britain and China to honour their promises in the Joint Declaration and one of those promises was to work together to make a success of the preparations for the change of sovereignty in 1997.

These are the priorities we have set ourselves. I believe that they reflect the community's priorities for an efficient and an accountable government and for closer co-operation with China. Our aim is quite simply to provide the people of Hong Kong with the good governance they deserve and to do everything we can to make a reality of the Joint Declaration.

Further Criticism of Patten's Policy Address

Cooperation Promise Questioned

HK1010082094 Hong Kong WEN WEI PO in Chinese 8 Oct 94 p A2

[Editorial: "Cooperation Calls for Action in Line With Agreements"]

[FBIS Translated Text] Both British Prime Minister John Major and Foreign Secretary Douglas Hurd said the British side would inject "a new impetus" into Sino-British relations and blaze "a new trail" in improving the relations.

If this was not the British Government's perfunctory gesture to reassure British businessmen, who had brought pressure to bear on the British Government, the British side would have many things to do to relax the tension and to improve the bilateral relations. Chris Patten, as the last Hong Kong governor, promised to

improve Sino-British relations at his inauguration ceremony. Facts over the last two years and more prove that he told a downright lie. Patten's predecessors established good cooperative relations with XINHUA Hong Kong. When the Hong Kong Government approached XINHUA Hong Kong for assistance during the 1973 oil crisis and in the 1987 stock market disaster, the latter gave immediate positive response. This was a normal channel for communication and cooperation. Murray Maclehoose, Edward Youde, and David Wilson closely cooperated with the Chinese side by making active use of this channel. When Patten came to Hong Kong, however, he undermined this effective channel. He refused to give XINHUA Hong Kong a copy of his political reform package straddling 1997 before he wrote it into his policy address. He did not give a copy of his third policy address to XINHUA Hong Kong in advance as his predecessors had done despite London recently saying it would improve Sino-British relations. The copy was not delivered to XINHUA Hong Kong until two and a half hours before Patten gave the policy address and after the Hong Kong and Macao Affairs Office had demanded that a copy be given to XINHUA Hong Kong simultaneously. It was two days later than the usual practice. Such a little trick did no good toward relaxing tension and restoring cooperation. How could Patten show his sincerity for cooperation when he gave his policy report to XINHUA Hong Kong in such a manner?

The Preliminary Working Committee [PWC] is a working organ appointed by the NPC Standing Committee and its duty is to make advance preparation for a smooth transition. If the British side did intend to cooperate with the Chinese side, it should cooperate with the PWC, acknowledge its status, allow civil servants to communicate with the PWC, and provide the necessary information. As shown in his policy address, Patten adopted a noncooperative attitude toward the PWC, prohibiting civil servants from attending PWC meetings, and requiring PWC members to change their identity before communicating with the British side in the capacity of experts of the Chinese team of the Sino-British Joint Liaison Group [JLG]. In this regard, however, no interference by Patten is necessary because the Chinese Government will make its own decision as to who will be appointed experts in the Chinese team. Patten went so far as to attack the PWC's legal status. If the British side refuses to communicate with the PWC, how could the conditions for cooperation be improved? The JLG and the PWC have different functions. While the former provides a channel for the Chinese and British Governments to discuss ways to implement the "Sino-British Joint Declaration" and to effect the handover of government in 1997, the latter is an organ making preparation for the establishment of the Hong Kong Special Administrative Region [SAR] as well as doing advance preparatory work to achieve a smooth transition and making a reality of the principle of allowing Hong Kong people to administer Hong Kong. The PWC is duty bound to collect the opinions of civil

servants as well as local civilians regarding a smooth transition. The Hong Kong Government, however, did exactly the opposite by telling PWC members to express their views to British representatives in the JLG. Is this not ridiculous? The governor said: "I do not believe it would be right for Hong Kong civil servants to attend formal meetings of the PWC or its sub-groups." Anson Chan Fang Oo-sang also wrote to civil servants banning them from attending PWC meetings. Such an attitude amounted to applying pressure on civil servants, allowing them only to be loyal to the British Hong Kong Government but not to communicate with the PWC or the Chinese side and express their views and provide information on a smooth transition. Again, in the remaining 1,000 days, the British side has deliberately made civil servants feel mental anguish and lose confidence in serving the SAR Government after 1997. This demonstrates that the British side also hopes Hong Kong people will not cooperate with the Chinese side to ensure Hong Kong's prosperity and stability.

In the JLG, the British side also employed "wear-and-tear" tactics. They did not want to discuss matters related to the preparation for the establishment of the SAR and the handover of sovereignty. Instead, they demanded that items which have nothing to do with the transition of sovereignty be discussed first or else they kept quibbling over side issues. Patten's policy address indicated the British side continues to stick to their confrontational policy and this will certainly jeopardize the cooperation between China and Britain.

The British side's tactics to delay the JLG's work and the British Hong Kong Government's resistance to the PWC's efforts to achieve smooth transition and its depreciation of the PWC show that Patten has acted in a dirty way despite his fine words about "intensifying cooperation" for "transition of sovereignty."

Official Points to 'Meddling'

HK1010081994 Hong Kong WEN WEI PO in Chinese
8 Oct 94 p A12

[By staff reporter Chiang Yang (3068 2254): "Li Weiting, Assistant Director of XINHUA Hong Kong Branch, Criticizes Patten's Policy Address"]

[FBIS Translated Text] Beijing, 7 Sep—Li Weiting, member of the Preliminary Working Committee Economic Group and assistant to director of the XINHUA Hong Kong Branch, arrived in Beijing today. On his arrival he pointed out that according to the Sino-British Joint Declaration, the British side has the responsibility and duty to cooperate and coordinate to ensure a smooth transfer of power in Hong Kong. But it cannot and should not meddle in those affairs beyond its responsibility and duty under the false name of cooperation.

What Li Weiting was referring to was Chris Patten's third policy address, in which some remarks regarding the Preparatory Committee for the Hong Kong Special

Administrative Region have gone beyond Britain's responsibility and duty. He said: As everyone knows, the Preparatory Committee, which will be established by the National People's Congress in 1996, will be responsible for making preparations for the establishment of the SAR Government. In the future, the SAR will enjoy a high degree of autonomy and this will be a high degree of autonomy granted to the region by China's Central Government in accordance with the Basic Law. All these are China's internal affairs and affairs within the scope of China's sovereignty.

When answering reporter's question on Hong Kong's new airport, Li Weiting said that both sides had basically reached unanimity on this issue in June this year but the British side has repeatedly raised new obstacles. If things are allowed to go on in this way, neither the airport construction nor the Hong Kong people will benefit. He hoped that an agreement will be reached as soon as possible.

More on Official

HK0810061094 Hong Kong SOUTH CHINA
MORNING POST in English 8 Oct 94 p 4

[By Linda Choy in Beijing and Catherine Ng]

[FBIS Transcribed Text] A Chinese official based in Hong Kong yesterday warned Britain against meddling in the affairs of the future Special Administrative Region (SAR) by offering assistance to the Preparatory Committee.

Referring to Governor Chris Patten's latest policy address. Assistant Director of Xinhua (the New China News Agency), Lee Wuiting, said Britain should not attempt to put its hands on SAR management.

He called the promises in the policy address "empty words", and added that the suggestions had been regarded by some as going beyond Mr Patten's role as a pre-1997 governor.

"Everyone knows that it is the responsibility of the Preparatory Committee, formed in 1996, to prepare for the setting up of the SAR," he said.

"The high degree of autonomy for Hong Kong is also delegated by the central government. This is entirely an internal matter for China."

Meanwhile, the Association for Democracy and People's Livelihood (ADPL) said civil servants, who are restricted from joining the Preliminary Working Committee (PWC), should be patient and wait for a year or so until the Preparatory Committee had been set up.

ADPL vice-chairman Leung Kwong-cheong said: "When Mr Patten promised in the policy address to offer co-operation to the (Preparatory) Committee, he should also have considered allowing civil servants to become members.

"The Chinese Government should also think of the idea."

But the president of the Chinese Civil Servants' Association, Peter Wong Hyo, said: "When the Committee gets only a year to take care of all sorts of transitional matters, it will not have time to go into detailed discussion of the issues. Therefore it will be more effective to express our ideas to the PWC," he said.

Amendments of Existing Laws Viewed

HK1010081194 Hong Kong TA KUNG PAO in Chinese
8 Oct 94 p 2

[Editorial: "Deep Thought Should Be Given to the Question Why Some Things Are Done So Quickly While Other Things So Slowly—Third Commentary on Chris Patten's Policy Address"]

[FBIS Translated Text] The measures for changing existing laws and regulations were not mentioned in lengthy passages in Patten's policy address but they are rather important and urgent. So this cannot but arouse people's serious attention.

The policy address says: "Over the next 12 months, we will introduce a comprehensive package to strengthen the rights of the individual and to eliminate discrimination." After that, the address mentions the need to adopt seven measures, including the introduction of legislation based on established international principles, the implementation of the conventions of the United Nations, the establishment of an Equal Opportunities Committee, and the formulation of a code on access to information.

The policy address then says the Hong Kong Government has examined 53 separate provisions in 27 ordinances and will amend 37 provisions in order to "remove the legal restrictions on press freedom."

Patten very seriously pointed out: "The rule of law is essential for Hong Kong's future." "We take these obligations very seriously."

Obviously, "over the next 12 months," major changes will be made in the existing ordinances and this is aimed at guaranteeing "Hong Kong's future." No wonder the address was entitled: "A Thousand Days and Beyond." The text also reads: "We cannot simply say, 'From now until midnight on 30th June 1997, we take the decisions, and after that, it is up to the Hong Kong Special Administrative Region [SAR] Government.'"

The Sino-British Joint Declaration and the Basic Law both explicitly stipulate: Hong Kong's existing laws will remain basically unchanged; the law to be implemented by the SAR will be the Basic Law; the existing laws will be maintained except for those that contravene the Basic Law or are subject to amendment by the legislature of the SAR; and the SAR Government will guarantee the rights and freedom of SAR residents and other people according to the laws.

According to these provisions, in the final stage of Hong Kong's transition period, the existing laws in Hong Kong do not need to, and should not, be amended greatly in order to keep them basically unchanged. In the last few years, the British Hong Kong Government has been continuously amending existing ordinances. The Legal Affairs Group of the Preliminary Working Committee recently considered this situation and told people to pay close attention to the amendments of the existing laws made by the British Hong Kong authorities. Patten was clearly aware that the Chinese side was unhappy with this but he still perversely continued such practice, setting forth various measures to substantially change the existing laws in his policy address. He even argued that all this was aimed at "safeguarding fairness," "guaranteeing human rights," "eliminating discrimination," and "removing restrictions on press freedom."

Here, Patten again appeared as a savior. In his first policy address, he announced that he would bestow "democracy" on Hong Kong people through his substantial reform of the political structure; now, in the third policy address, he has announced that Hong Kong people's "equality" and "freedom" would have to be guaranteed by his legal reforms. It seems that the destiny of Hong Kong people will all be decided by him.

What is "the elimination of discrimination"? The root cause of discrimination against the Chinese people in Hong Kong is the colonial rule by Britain. Over the past century and a half, the most serious discrimination and the greatest unfairness in Hong Kong was the rule of the British colonialists and their discrimination against Chinese people. As a result, the Chinese people still do not have the right to govern their own territory. Only by letting Patten go home and terminating the colonial rule will discrimination be eliminated and equality be realized. Being the chief of the colonial government, Patten still brazenly talked a lot about eliminating discrimination in Hong Kong. Wasn't this a great irony of "equality"?

As for press freedom, Patten also has no right to talk about this issue. We must ask him: After you came to Hong Kong, why were some mass media not allowed to have free access to Hong Kong Government information and data? Why was the free criticism of the British Hong Kong authorities' erroneous policies by some newspapers so deeply hated? Obviously, Patten's so-called press freedom was merely available to some people and some institutions. He intended to remove the restrictions and this only referred to some provisions that were unfavorable to the activities of pro-British and anti-Chinese forces in resisting China and disrupting Hong Kong.

The Basic Law is the fundamental law for the SAR and also the fundamental guarantee for Hong Kong people's democracy, equality, and freedom. If the British side really care about Hong Kong people's democracy, equality, and freedom, then it should cooperate with the Chinese side in the legal aspects in the late transition

period and discuss with the Chinese side how to make things converge with the Basic Law. Patten does not have any sincerity for such cooperation but he continued to talk about the implementation of the UN conventions in Hong Kong and the need to introduce legislation according to the international principles. We do not know whether Patten still gives any consideration to the existence of the Basic Law. Will "Hong Kong's future" Government be based on international law or based on the Basic Law? As for how to treat the relevant international conventions, Article 39 of the Basic Law also clearly stipulates: The provisions of the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social, and Cultural Rights, and international labor conventions as applied to Hong Kong shall remain in force and shall be implemented through the SAR laws. Patten did not particularly respect the international laws; instead, he just tried to reject the Basic Law under the excuse of implementing international conventions. Otherwise, why did he not mention the three Chinese characters—"The Basic Law"—in his lengthy policy address of tens of thousands of words?

The Chinese side has long expressed its solemn position on the substantial changes to the existing ordinances in Hong Kong: If the British side substantially amends the ordinances, the Chinese side will not bear any responsibility for this and will just continue to act according to the original laws. Patten's action of substantially amending the ordinances will only cause difficulty to Hong Kong's smooth transition and "going beyond 1997" will just be his dream.

Here, the policy address actually aroused people's deep thought: Patten was trying to greatly change the ordinances that should be kept basically unchanged according to the Basic Law and is doing this "very seriously" and urgently. On the other hand, he did not mention the issues that should be immediately discussed with the Chinese side as they were directly related to the transfer of government in 1997 and even the transfer of some concrete and specific items has to be left to 1997. Why so? Hong Kong people can see the real intention of the British side from its behavior of doing some things quickly and doing other things slowly.

PRC Responds to UK Allowing Taiwan Celebration

Taiwan State Visits To Be Prohibited

HK1210063394 Hong Kong EASTERN EXPRESS in English 12 Oct 94 p 7

[By Shiny Li in Beijing and Ella Lee]

[FBIS Transcribed Text] Taiwan President Li Teng-hui will not be allowed to enter Hong Kong in an official capacity after 1997, the head of the Education, Science, and Technology Department of the local New China News Agency (Xinhua), Weng Xinqiao, said yesterday.

Weng said because Li was regarded as the representative of Taiwan, under China's "one China" policy, he would not be permitted to enter Hong Kong. Li has never been to Hong Kong in an official capacity.

Recently, China strongly protested when Li was invited to attend the Asian Games in Japan. His trip was eventually cancelled.

Weng said Taiwanese officials could only visit Hong Kong in a personal capacity after the changeover.

The informal Taiwan representative in Hong Kong, John Ni, will be allowed to stay in Hong Kong after 1997 but only as the head of a travel agency, a position he now holds.

The Hong Kong Government yesterday said it had no plan to introduce any new procedures to restrict Taiwan officials visiting the territory. The Deputy Director of Immigration, John Yeung, said the Hong Kong Immigration Department's current procedures for approving visa applications were working "very well" and the government had no plan to change them.

The activities of Taiwan officials in Hong Kong sparked a political controversy after the Hong Kong Government refused to stop Taiwan National Day celebrations being held at the cultural centre on Monday. The Chinese government threatened that the incident would further damage Sino-British relations.

Yeung said he could not see a need to introduce new restrictions on the entrance of Taiwan officials to the territory from now to 1997. Yeung said the policy for all visa applications would continue to be based upon individual merit. He said the government would consider the "suitability" of allowing someone to enter the territory but he declined to elaborate on how this would be defined. Yeung added that the policy was "flexible" and would be subject to change.

"Many Taiwan official applications had been approved before," he said. "We do not want to classify some people into a certain group. And conditions have been laid down in visa application forms that people [who] come to Hong Kong are not allowed to do something that will embarrass the government."

Yeung declined to say in what kind of situation the department would seek advice from the security branch before approving a particular visa application.

PRC 'Likely' To Outlaw Flag

HK1110060294 Hong Kong EASTERN EXPRESS in English 11 Oct 94 p 2

[By Shiny Li in Beijing and agencies]

[FBIS Transcribed Text] China is likely to outlaw the Taiwan flag in public places in Hong Kong after 1997, following Britain's approval for Taiwan National Day celebrations on government premises yesterday. About

2,000 Taiwan supporters gathered at the Hong Kong Cultural Centre to sing the island's national anthem and to shout, "Long life to the Republic of China", the official name of the government in Taipei. But the Taiwan flag was nowhere to be seen at the centre and the two-hour celebrations were surrounded by tight security.

The Hong Kong Government approved the ceremony despite protests by China that it will damage Sino-British relations. The head of the education and science department of the local New China News Agency (Xinhua), Weng Xinqiao, said yesterday that Hong Kong will not be allowed to fly the Kuomintang (KMT) flag in public areas after the 1997 handover. "I think the SAR (Special Administrative Region) government will have regulations on whether Hong Kong is allowed to fly the KMT flag or host Double Ten (National Day) celebrations after 1997," Weng said. "If it's a private premises, we can't do anything."

Lau Siu-kai, a local member of China's advisory think-tank on the 1997 handover, the Preliminary Working Committee, believes there will be laws after 1997 to restrict activities that promote Taiwan as an independent country or another China. Weng said the British Government will have to bear "all the responsibilities of its actions" in ignoring China's protests.

The British ambassador to China, Leonard Appleyard, has been summoned twice to explain why Britain did not reverse an Urban Council decision to allow the celebrations to be staged on government premises. A spokesman for the British embassy in Beijing said Appleyard had told China that Britain was still committed to the "one-China" policy. The spokesman declined to say if the Hong Kong Government had asked the Chinese Cultural Association, the Taiwan group which organised the celebrations, not to fly the Kuomintang flag in or outside the Cultural Centre.

China's Foreign Ministry repeated its protest yesterday, saying: "The British move once again shows that what the British side says does not square with what it does, and that it lacks goodwill in improving Sino-British relations."

"It has not only seriously hurt the feelings of the Chinese people but has also added difficulties to Sino-British relations."

The Hong Kong celebrations passed without incident yesterday. Most of the 2,000 invited guests were elderly Kuomintang loyalists and teenagers who had received the day off from pro-Taiwan schools and who filled the Hong Kong Cultural Centre for the two hour rally. Photographs were strictly prohibited, with security guards searching women's handbags at the entrance to the concert hall.

Taiwan's top official in Hong Kong, John Ni, began the ceremony on a political note, extolling what he called the island's commitment to freedom and democracy as well

as its higher profile on the world stage. Taiwan is known as the Republic of China by the Kuomintang, which retreated to the island in 1949 after losing control of mainland China to the communist uprising, led by the late chairman Mao Zedong.

Celebrations 'Illegal' After '97

HK1010052094 Hong Kong SOUTH CHINA
MORNING POST in English 10 Oct 94 p 3

[By Linda Choy in Beijing and Louis Won]

[FBIS Transcribed Text] Celebration of Taiwan's National Day should be illegal in Hong Kong after 1997, a senior Chinese official said yesterday. Both public and private celebrations of the Double Tenth festival should be banned, said Xinhua (New China News Agency) official Weng Xinqiao. "When we say 'one country, two systems', we do not mean only the adopting of two different social systems [in the mainland and Hong Kong], but we also mean the upholding of the one country principle," the Hong Kong-based official said on arrival in Beijing.

The nationalist flag should be banned unless it was hoisted in the name of the anniversary of the 1911 Revolution, he said. The Special Administrative Region should consider introducing laws to ban celebrations of the founding of a "second China", he said. Mr Weng, the Hong Kong-based head of Xinhua's Cultural and Education Department, is in Beijing to attend a Preliminary Working Committee sub-group meeting. His comments drew immediate criticism in Hong Kong.

Democratic Party legislator Cheung Man-kwong said any such laws would violate freedom of speech. Mr Cheung said that Mr Weng's remarks reflected a failure to understand the political reality that there were two powers on the Taiwan Strait. "People should be allowed to express their support for either of the powers on either side of the strait as long as their activities are not against the law," he said. Mr Cheung said peaceful unification of China would not be helped by suppression of the activities of pro-Taiwan forces in Hong Kong. "Although there are people who want to fly the nationalist flag and celebrate the Double Tenth, it doesn't necessarily mean they deny there is one China," he said.

Mr Weng's comments followed controversy over the Urban Council's decision to allow a pro-Taipei group to celebrate the National Day today at the Cultural Centre. China condemned the decision as violating the one-China policy and issued diplomatic protests to the British and Hong Kong Governments. Yesterday, Taiwan's top representative in Hong Kong, John Ni Chang-i, welcomed the Urban Council's decision. After officiating at a flag-hoisting ceremony at Rennie's Mill, Mr Ni said the pro-Taipei Chinese Cultural Association had gone through the proper procedures to rent the hall.

Hong Kong was a community with the rule of law and allowing the pro-Taipei association to hold the celebration at the Cultural Centre would also help implement the concept of one country, two systems, he said.

Director of Urban Services Albert Lam Chi-chiu said the pro-Taipei association was a legal organisation and the Government did not have the right to reject for political reasons an application to rent the premises. Chairman of the Urban Council Dr Ronald Leung Ding-bong said the council would review the matter. The council would try to listen to different views and would try to make a more balanced decision in future, he said.

Sino-UK Ties in Jeopardy Over Taiwan Fete

HK1110060394 Hong Kong SOUTH CHINA
MORNING POST in English 11 Oct 94 pp 1, 6

[By So Lai-Fun and Chris Yeung]

[FBIS Transcribed Text] China has warned of new difficulties in Sino-British relations following a Hong Kong Government decision not to block a pro-Taiwan group from holding a Double Tenth show in an Urban Council centre yesterday. A strongly worded statement was issued by the Foreign Ministry just hours after the Chinese Cultural Association (CCA) held celebrations of Taiwan's National Day at the Hong Kong Cultural Centre. Unlike similar events in the past, Taiwan's flag was not seen inside or outside the venue.

Urban Services Department staff made strict security checks on attendees to prevent any photography, recording or videotaping. The organiser, however, denied there had been pressure from the Hong Kong Government not to hoist the flag. Cheung Hon-chung, secretary-general of the CCA, said: "We have to stick to the regulations, and that of course does not mean we suffer from any political pressure."

When asked if it was acceptable to have the National Day celebration without the national flag, John Ni Chang-i, Taiwan's top representative in Hong Kong, said: "Our national flag exists in our hearts and minds." He said that no matter what China had said about the banning of Taiwanese celebrations after the handover, no one could change the fact that the Republic of China had existed for 83 years. Mr Ni pledged that Taiwanese bodies would not retreat from the territory after 1997 and would serve the people in compliance with the laws.

Susie Chiang, director of the Kwang Hwa Information and Culture Centre, said she regretted the event had been politicised. "It is a cultural activity ... we don't think it is a Double Tenth celebration, we just like to have a concert and celebration. 'I think it's a free world. In Hong Kong everybody can have their own celebration. We do have our own, that's not a big deal," she said.

Asked why there was no national flag, Mr Cheung said they were notified of the "regulations at the very beginning". But last Friday, Mr Cheung said at a public function that they would raise the flag inside the Cultural Centre auditorium. They would not raise the flag outside

the venue, he said. He said it was too early to say whether the association would apply for a public venue to celebrate the event next year.

Mainland Foreign Ministry spokesman Chen Jian yesterday claimed the Hong Kong Government's handling of the issue showed it was not sincere in improving Sino-British relations. He said the government's insistence on letting "Taiwan forces hold illegitimate National Day celebrations" on its premises was clearly a violation of Britain's "one China" policy. "This is in opposite direction to its repeated wish to improve relations," Mr Chen said. "It has seriously hurt the feelings of Chinese people and raises new difficulties to Sino-British relations. We hereby express our indignation. The British move once again shows that what the British side says does not square with what it does and that it lacks good will in improving Sino-British relations. We demand that the British side honour its commitment in earnest otherwise it shall be held responsible for the grave consequences," the spokesman said.

A senior locally based Chinese official said whether the pro-Taiwan group put up the flag inside the premises made no difference. "It's not a legal issue. The government had banned such activities in the past on political grounds. But now it has allowed them to hold such activities also on political grounds," the official claimed.

Assistant director of Urban Services (Cultural Services) Chung Ling-hoi said whether the flag was put up or not was a matter for the association. "It did not ask for permission to hoist any flag inside the auditorium," an Urban Services Department spokesman added. "There was no law banning the hoisting of anything, but the department would consider the matter on the grounds of safety and technical viability if they requested so," she said.

A leading figure of a Taiwan business group, Kein Ting, said after attending the celebration it was unreasonable and regrettable that the Hong Kong Government had meddled in the arrangement of a private gathering. Mr Ting, chairman of the Hong Kong Taiwan Trade Association, said the organiser could only obey the government's policy.

In Beijing, a Xinhua (New China News Agency) official said it might not be possible to ban the hoisting of the Taiwan flag inside residential premises after 1997. Another PWC member Ng Hong-mun, said the Double Tenth celebration in the future should be renamed as celebrations to mark the 1911 Revolution.

Patten Criticized

HK1110100094 Hong Kong WEN WEI PO in Chinese
11 Oct 94 p A2

[Editorial: "Patten Must Bear Responsibility for Provoking China"]

[FBIS Translated Text] Despite repeated representations made by the Chinese side, the British Hong Kong authorities acted willfully and leased the official venue to a Taiwan organization for celebrating their "national day." The spokesman for the Chinese Foreign Ministry pointed out yesterday: The PRC Government is resolutely opposed to any activities aimed at splitting China and creating "one China, one Taiwan" or "two Chinas." On this question, our position of sticking to principle and safeguarding sovereignty is steadfast. This move by the British side has once again proved that their actions do not match their statements and that they lack sincerity in improving Sino-British ties. They have not only seriously hurt the feelings of the Chinese people but have also added difficulties to Sino-British ties. We urge the British side to earnestly fulfill their commitments. Otherwise, they will have to bear the responsibility for all the serious consequences arising therefrom.

Patten even came out into the open to provoke China, expressing his support for creating "two Chinas" and "one China, one Taiwan" in Hong Kong. Although he dwelled in his policy address on his willingness to sincerely cooperate with the Chinese side, he defended himself by saying: "This does not mean that we have to sacrifice rule by law for the sake of cooperating with the Chinese side."

The "venue" incident deliberately created by the British Hong Kong authorities to provoke China is a fact that cannot be denied. From the very beginning, the British Hong Kong authorities regarded this as a political rather than a legal case. When the relevant Taiwan organization submitted an application in June, the Municipal Council, through internal examination and requesting opinions and instructions from the Security Department, accepted the application in August and signed the contract. When the matter was handed to the Amusement Committee of the Municipal Council in late September, the purpose of the application, namely, celebrating the "Double Tenth" anniversary, was intentionally concealed in the papers provided. When China made representations after the matter was exposed, the British Hong Kong authorities attempted to shift the responsibility onto the Municipal Council. The chairman of the Municipal Council and a number of members disclosed the inside story. Chairman Leung Ding-pong pointed out that the Municipal Council should not undertake the responsibility for the policy decisions made by the British Hong Kong authorities. In the past 40-odd years, the Hong Kong Government had rejected all applications for renting venues to mark the "Double Tenth" anniversary. In the current event, however, the Hong Kong Government is the "evil backstage manipulator" that attempted to use the Municipal Council to provoke China and turn the council into a "trouble" camp. When the inside story was disclosed, Patten fell into a rage and straightforwardly came out into the open to support the decision. Thus, it can be seen that Patten is the real "manipulator" behind the event.

The British Hong Kong authorities have always been very prudent on the Taiwan issue over the past 40 years or so, regarding it as a sensitive political problem. They did so to maintain Sino-British ties of friendship and cooperation. If the British side wants to maintain friendly ties, it should abide by its commitment made while establishing diplomatic relations with China, that is, recognizing only one China, the PRC, as the sole legitimate government of China, and that Taiwan is one of China's provinces. As the British side fulfilled its commitment, it has preserved its administration over Hong Kong and its interests in the Far East. The same Taiwan organization had applied to the authorities for an official venue to mark its anniversary two and a half years ago, and it was rejected by the British Hong Kong authorities. Thus, it is clear that the laws formulated and enforced by the British Hong Kong authorities over the past 40 years or so were based on Britain's recognition that the PRC is the sole legitimate government representing China. As a matter of fact, the laws formulated and enforced by the local government of any country cannot contravene the diplomatic commitment and stand of the central government. How can Patten not understand this rudimentary common sense and rule of international law? Nevertheless, he insisted on violating Britain's diplomatic commitment and stand, and international law. This clearly shows that what he has done is related to a political rather than a legal problem.

As pointed out by Zhang Junsheng, deputy director of XINHUA Hong Kong branch, Patten wants to apply Hong Kong laws to defend his mistaken political decision. This move itself has undermined Hong Kong's reputation as a community ruled by law. True, Patten claimed that "rule by law cannot be sacrificed for the sake of cooperation with China." However, it is Patten who did not respect the law and who tried to apply Hong Kong's laws to defend his mistaken political decision and practice. To Patten, laws can be distorted in light of his need to serve his mistakes. Such an autocratic political practice which overrides the law precisely indicates that Patten is ready to provoke China by sacrificing rule by law and violating Britain's diplomatic commitment, deliberately undermine Sino-British ties, and escalate the Sino-British confrontation.

To continue his policy of confronting China and creating disorder in Hong Kong, after his failure in playing the "public opinion card" and the "international card," Patten spared no effort to play the "Taiwan card." Such a risky practice of trusting to luck has fully revealed that Patten's "sincerity in cooperating with China," mentioned in his policy address, is but a pack of lies and a smokescreen to cover his intention to further stir up a greater confrontation by every means. Over the past 40 years or so, no Hong Kong governor has ever deviated from the Sino-British Joint Communique on Establishment of Diplomatic Ties. However, Patten has broken this rule. He has gone so far as to disregard the one-China principle stated in the Sino-British communique. How can a politician, who intends to challenge the

Sino-British Communique on Establishment of Diplomatic Ties, have sincerity in developing ties of friendship and cooperation with China?

Patten's attempt to draw the Taiwan forces to participate in the drive to oppose "one country, two systems" clearly indicates that Britain's policy of confrontation has entered a blind alley. It also shows that Britain, while adopting its policy toward China, is still following the mistaken proposal made by the parliamentary report. Nonetheless, there is no room for maneuver on the principled question of reunification of the motherland. The Chinese Government and the Chinese people will never allow anyone to engage in the activities of creating "two Chinas" and "one China, one Taiwan." If Patten wants to play with fire, he will have to bear the responsibility for all the consequences arising therefrom.

UK Accused of Creating Problems

HK1210030294 Hong Kong HSIN WAN PAO in Chinese 10 Oct 94 p 2

["New Word" column: "The British Hong Kong Government Makes a Willful Move To Create Political Trouble"]

[FBIS Translated Text] The number of manmade troubles has increased since Britain changed its policy on the question of Hong Kong and went backward from its position as stated in the Joint Declaration. An example of these manmade troubles is the lending of the Hong Kong Cultural Center—on crown property—to Taiwan organizations in Hong Kong for the "10 October" celebrations today. Manmade troubles can be of an economic or political nature. In today's case, it is political trouble.

As early as January 1950, the British Government officially notified the PRC Government that it would like to establish diplomatic relations on the basis of equality, mutual benefit, and mutual respect for each other's territorial sovereignty. At the same time, the British Government stated that it withdrew its diplomatic recognition of Taiwan's Kuomintang [KMT] clique. In March 1972, the British Government declared that the PRC Government is the sole legitimate government of China, and acknowledged the position that Taiwan is a province of the PRC. In this way, they put ambassadors in the place of diplomatic attaches or their representatives in each other's capitals. In the decades since then, the British Hong Kong authorities have not lent crown land for "10 October" celebrations, but the situation has changed this year. Hong Kong Governor Chris Patten has even come to the front of the stage from backstage. He openly used "the laws of Hong Kong" as an excuse to defend the Hong Kong Government's wrong political decision. A piece of news published in Beijing's papers today carried Deputy Director Zhang Junsheng's remarks to the effect that by doing this, Patten is going further and further along the wrong path.

Everyone knows that Patten is going further and further on the wrong path. Not only has he confronted China by creating the "three violations" over the issue of "political reform," but also—as one may well say—he has willfully gotten himself involved in the muddy tide of "creating two Chinas," seriously violating the British Government's "one China" promise.

Some asked: Why are "10 October celebrations" not allowed in Hong Kong now that the mainland itself also commemorates the Revolution of 1911? One should know that the progressive meaning of the Revolution of 1911 is universally acknowledged by the people of China, but the so-called "10 October Festival" is only the "National Day of the Republic of China." The history of the Republic of China ended on the last day of September 1949. If a person continues to mark the "10 October National Day" today, does he not intentionally create "two Chinas?"

Seizing the excuse of "10 October" for the political attempt of "creating two Chinas" is, in legal principle, also a direct violation of the Sino-British Joint Declaration. Article One of the Joint Declaration states that the PRC Government has decided to resume the exercise of sovereignty over Hong Kong on 1 July 1997. Article Two of the Joint Declaration states that the British Government will return Hong Kong to the PRC on 1 July 1997. We can also see from this that it is not allowed by law for "10 October National Day" celebrations to be held in Hong Kong after 1997. The celebrations are different from the commemoration of the Revolution of 1911, which will be allowed in Hong Kong both at the present time and in the future, and from positively evaluating the meaning of the Revolution of 1911. Yesterday, all sectors of the community of Macao gathered to solemnly commemorate the 83d anniversary of the Revolution of 1911, and Beijing's papers published XINHUA reports. This can show Beijing's clear attitude.

The Chinese Government has stated the hope that Taiwan and Hong Kong will maintain trade and economic relations after 1997, and that there should be no problem regarding the protection of the legitimate rights and interests of Taiwan organizations in Hong Kong after 1997 as long as they do not violate the Basic Law. However, surely it is not right for them to attempt to take advantage of Hong Kong for activities toward "two Chinas" or "one China, one Taiwan?"

Attorney-General Backs Decision on Taiwan

HK0810073494 Hong Kong EASTERN EXPRESS in English 8 Oct 94 p 2

[By Rain Ren]

[FBIS Transcribed Text] The Attorney-General, Jeremy Mathews, has reinforced the decision to allow Taiwan to stage its National Day celebrations on government premises.

He said yesterday that to bow to pressure from China on the issue could provoke costly court action and breach the Bill of Rights.

Mathews said permission for the celebrations to be held at the Cultural Centre could be withdrawn only on reasonable grounds of upholding public order or safety.

"In the absence of such a ground, withdrawal of the permission would be an arbitrary exercise of the statutory power and would, therefore, be unlawful," he said.

"Furthermore, withdrawal of the permission solely on political grounds would almost certainly breach the Bill of Rights."

China is still waiting for a formal response from the British and Hong Kong governments to its demands to quash the decision.

A senior official from the local office of the New China News Agency (Xinhua) said diplomatic protocol dictated that the British and Hong Kong governments provide an official response to China.

Beijing lodged a formal protest late last week against the decision taken by the Urban Council.

The Urban Council has refused to reverse its decision, saying such a move must be made by the government because of the political ramifications involved.

Mathews said the government was likely to incur a court challenge if it interfered in the decision.

"In respect of the decision by the Urban Council, any cancellation of the booking based on considerations that were not relevant to the purposes and objects of the Public Health and Municipal Services Ordinance would almost certainly be quashed by a court upon judicial review and could give rise to a claim for damages," he said.

Responding to Mathews' remarks, the assistant director of the local branch of Xinhua, Lee Wui-ting, reiterated that Britain had violated its commitment to the "one-China" policy.

"During the establishment of Sino-British diplomatic relations, the British side said it recognised only one China, the People's Republic of China," Lee said.

"Now (the British) allow a Taiwanese institution to celebrate its October 10 National Day (on Hong Kong Government premises).

"This is creating two Chinas and violates (Britain's) commitment. It is a total mistake on Britain's part."

The British ambassador to China, Leonard Appleby, was summoned to explain the decision to senior Chinese officials last week.

"We have made our point clear to them through diplomatic channels in Hong Kong, Beijing and London," a Chinese official said.

"Now it is for them (the British and Hong Kong Governments) to respond.

"We have noticed the governor's remarks over the matter and it appears that the Government is not prepared to change its wrong decision.

"So we should see how things develop."

China has threatened diplomatic action over the decision, but so far has not specified the nature of such action.

The Chinese official said Beijing would continue to press the matter.

The governor, Chris Patten, this week rejected China's demand for the decision to be quashed.

He said the government did not have the legal basis on which to change it.

UK Forces' Commander Eager To Meet Counterparts

HK1010054094 Hong Kong *EASTERN EXPRESS* in English 10 Oct 94 p 3

[By Rachel Clarke]

[FBIS Transcribed Text] The new commander of the British Forces in Hong Kong is ready and willing to meet his Chinese counterparts to discuss the handover of the garrison. He has also offered to give advice on how People's Liberation Army troops should behave.

Major-General Bryan Dutton, scheduled to be the last British military chief, is keen to iron out any potential hitches in the handover before they happen, he said in his first interview since taking command two months ago. He wants to make sure that he hands over the defence lands and buildings in as good a state as possible and that the British set a good example for the mainland troops. "It is a very important part of our job that we do everything we possibly can to ensure that the PLA take over from us successfully and in a way in which is appropriate for Hong Kong," Dutton said. "We have a major role to play... to advise them of the reality of garrison life in Hong Kong, for example."

Discussions might cover the behaviour of working and off-duty troops in the streets, as well as what will be left behind by the British. "We may want to explain pertinent points of our relationship with the civilian community which would be the same anywhere in the world," Dutton said. His predecessor, Major General Sir John Foley, said it would be sensible for the heads of the British and the future Chinese garrisons in Hong Kong to discuss the handover of the various sites.

That job now falls to Dutton, 51, who is optimistic that any talks with the PLA can be broad enough for the British to pass on advice as well as general information. "We will want to explain the training facilities we have here, the workings of the barracks and things on a more

mundane level," he said. Dutton sees no reason why offering advice should be seen as presumptuous, and hopes that despite the Sino-British political wrangling he and his PLA counterpart can meet. "When you get two professional men talking to each other, even if they come from different countries and different armies, there is an understanding about the problems," he said. "This would be a professional liaison between two friendly powers. Our motivation is to ensure a successful transfer of sovereignty. It is in my interest to remove potential points of friction."

No dates have been set for discussions and Dutton said he could not specify when they would begin. "I'm part of a large tapestry. It depends on when the Chinese wish to start, when I wish to start and when it is appropriate, but I do envisage contact between the garrison and the PLA."

Dutton had experience of relations between two military powers when he spent two years in the British mission to Soviet forces in East Germany in the late 1970's. In Hong Kong he will also talk to local government officials on matters such as costs and how much may be spent on the upkeep of buildings to be handed to the Chinese.

Dutton is still negotiating the budget for 1995-1996 but said it should show a sizeable drop because it will be the first complete year of the reduced garrison, which will be cut to 3,250 people by next January from nearly 9,000 the previous year. He said the forces were "extremely good value" for Hong Kong, which pays two-thirds of the cost, and said he was confident that funds necessary for the upkeep of buildings would be approved. "I'm concerned that some parts of the estate are looking distinctly tired," he said. "Those parts of the estate that we are continuing to occupy should be maintained at the same standards as you would expect anywhere else in the world. [The changes] may be cosmetic, but it affects people's morale and has a direct impact on people living in those barracks. The standards we set to the very end are going to be the benchmark for what you in Hong Kong will expect the PLA to maintain."

Dutton said he would tolerate no drop in standards simply because the British forces would be leaving in less than three years. He said the forces would leave with "pride, dignity, style and a great deal of affection for Hong Kong". As well, British armed forces could be proud of their contribution. "Hong Kong has one of the largest economies in the world and that is largely based on the stability offered by the British forces," Dutton said. "It has been a partnership between the British administration and security and Chinese enterprise and hard work."

Basic Law Promotion Campaign Begins

OW0710142494 Beijing *XINHUA* Domestic Service in Chinese 1421 GMT 14 Oct 94

[By reporter Sun Chengbin (1327 2110 2430)]

[FBIS Translated Text] Hong Kong, 5 Oct (XINHUA)—A large-scale campaign to promote the Basic Law began here this afternoon.

This campaign is jointly sponsored by Hong Kong's Chinese Enterprises Association, WEN WEI PO, and CHING PAO Monthly. Various methods will be used to publicize and disseminate the Basic Law, including holding "prize-giving quiz on knowledge about the Basic Law" and sponsoring "Lectures on Basic Law" in cooperation with the Central People's Broadcast Station.

Zhang Junsheng, deputy director of XINHUA Hong Kong branch, attended today's opening ceremony. In his speech, he pointed out: There are now only 1,000 days left before China resumes sovereignty over Hong Kong. At this time when the countdown begins, all Hong Kong's patriotic compatriots should unite together even more closely and step up preparatory work in the second-half of the transitional period, including publicizing and promoting the Basic Law and making full preparations for the establishment of the Special Administrative Region. Zhang urged Hong Kong compatriots to take an active part in Hong Kong's various affairs, work hard to safeguard Hong Kong's prosperity and stability, and maintain high vigilance against activities disrupting or affecting Hong Kong's prosperity, stability, and smooth transition.

More than 200 Hong Kong's celebrities from various walks of life attended today's ceremony.

Today's WEN WEI PO also published articles by Rong Yiren, PRC vice president; Henry Fok Ying-tung, vice chairman of the Chinese People's Political Consultative Conference National Committee; Zhou Nan, director of the XINHUA Hong Kong branch, promoting the Basic Law.

PWC Sub-Group Proposes Interim Legislative Council

ILC To Observe 'Basic Law'

HK1010153894 Hong Kong TA KUNG PAO in Chinese 8 Oct 94 p 2

["Special dispatch" by staff reporter Hu Min-yi (5170 2404 0308): "The Preliminary Work Committee Political Affairs Group Proposes Setting Up an Interim Legislative Council in Early 1997"]

[FBIS Translated Text] Beijing, 7 Oct (TA KUNG PAO)—The Preliminary Work Committee [PWC] political affairs group concluded its 11th session today. The group has formed an initial opinion that a 60-member Interim Legislative Council [ILC] will be elected by the electoral committee in charge of the election of the chief executive in late 1996 or early 1997. The ILC term of office will not exceed 12 months, starting from 1 July 1997. It is possible that the ILC will observe some regulations on legislation stipulated in the Basic Law,

and exercise the related powers of the legislature in accordance with the Basic Law.

According to Leung Chun-ying, the Hong Kong side group leader, the ILC as it is conceived will be elected by the electoral committee for the election of the chief executive of the first Special Administrative Region [SAR] government, and its chairman will be elected by and from among the ILC members. The electoral committee will first hold an election for the chief executive, then for ILC members. The election will take place in late 1996 or early 1997. The ILC term of office will begin on 1 July 1997, and is not to exceed 12 months.

He said that in accordance with some regulations on the legislature stipulated in the Basic Law, the ILC will exercise the powers of the legislature in accordance with the Basic Law, including the clause that the proportion of its members elected who are not of Chinese nationality or who have the right of abode in foreign countries will not exceed 20 percent of the total ILC membership; it will have 60 members, which is the same as for a normal Legislative Council; and the ILC powers and functions and the eligibility of its members should comply with the Basic Law as far as possible.

The Chinese side group leader Xiao Weiyun stated that the main task for the Legislative Council is to formulate, revise, and abolish laws. This being the case, the ILC will naturally possess the same power to formulate, revise, and abolish laws. He indicated that the difference between the first Legislative Council and the ILC will lie chiefly in its being imperative for the ILC to focus attention on formulating and adopting some laws around the founding of the SAR government; things will become comparatively normal when the first Legislative Council comes into being.

Leung Chun-ying said that provided the ILC is to be founded with National People's Congress [NPC] authorization, on the issue of whether or not it is necessary for the NPC to conduct supplementary legislation, Xiao Weiyun said that the procedure will be one of adopting a supplementary resolution; it will not be revising the existing NPC resolution, nor will it be overthrowing it, but the formulation of another decision to add the new conditions to the existing resolution. However, all these are opinions set forth by some members; it is up to the NPC to have the final say.

On the issue of whether or not the ILC founding will be in contravention of Basic Law Article 69, Xiao Weiyun said that it would not. According to him, the Basic Law stipulates that the term of office of the first Legislative Council is two years, and its term of office in the wake of the ILC will remain unchanged. The Basic Law does not stipulate which specific year the first Legislative Council will be elected nor its term of office. Such being the case, the ILC founding will not contravene the Basic Law.

On the issue of what restrictions the ILC will come under, Leung Chun-ying said that first, the ILC will be

elected by the electoral committee in charge of electing the chief executive. Such being the case, its restrictions will be the same as those of the chief executive; and second, there are ample regulations in the Basic Law to enable mutual coordination and restriction between the executive authorities and the legislature. He added that the political affairs group will set up an ad hoc group for study of electoral affairs to do research on the election for the first Legislative Council, and plans to make some investigations outside Hong Kong. At present, there are seven participants in the group, including Lau Siu-kai, Wu Wai-yung, Amrose Lau Hon-chuen, and Leung Chun-ying. The group will not reject the possibility of inviting other social figures to participate in the study.

On the issue of whether or not the organization of the ILC will include figures from various political parties, member Lao Siu-kai personally believed that in view of the present realistic political climate, it is impossible for the ILC to possess maximum representation. Nevertheless, he estimated that the closer 1997 approaches, the more the Chinese Government will include personalities from various factions. In addition, he believed that the present Sino-British relations are temporary; China and Britain will not confront each other to the end.

Member Wu Wai-yung personally calculated that overlapping to a certain degree will surface between the ILC members and those of the normal Legislative Council that comes a year later, but that that will depend on the political climate at that time. He indicated that according to the discussions on the ILC, the organization would exist until the election of the first Legislative Council; now its term of office is changed to one year. Such being the case, the ILC will not become a permanent organization; from this point its self-restriction and self-discipline can also be indicated.

Democrats Warn of Problems

HK0810063094 Hong Kong SOUTH CHINA
MORNING POST in English 8 Oct 94 pp 1, 4

[By Linda Choy in Beijing, Chris Yeung and So Lai-fun]

[FBIS Transcribed Text] A provisional legislature of 60 selected Hong Kong people is likely to be in place about six months before the handover to China and sit through the first year of the Special Administrative Region [SAR]. This is the latest proposal from the political sub-group of the China appointed Preliminary Working Committee (PWC) on the setting up of a "caretaker" legislature.

The 60-member assembly will replace the 1995 Legislative Council [Legco], which China does not recognise and intends to dissolve on July 1, 1997.

At the end of a two-day meeting, the sub-group proposed that the provisional body be "elected through consultation" in 1996 by the 400-strong selection committee formed by the preparatory committee.

The provisional body will be given the same powers and duties as the SAR legislature, including the means to approve new laws on treason, the budget and the endorsement of Court of Final Appeal judges. However, its composition will not resemble the relevant requirements laid down for the first SAR legislature by the Basic Law. The Basic Law says half of the 60-member first legislature will be elected by functional groups, 20 by direct elections and the remaining 10 by the Election Committee.

Under the post-1997 charter, China should name the preparatory committee—at least half of them should be local people—in 1996. The committee will then form the locally composed selection committee to choose the first chief executive.

The PWC proposal means that no direct elections would be held for the provisional legislature.

Leung Chun-ying, Hong Kong co-convenor of the sub-group, said the provisional legislature would be subject to the same check and balance mechanism as the chief executive, because both were to be returned by the selection committee. "Besides, there is also a check and balance mechanism between the executive body and legislature in the Basic Law." He said the provisional legislature would be formed late in 1996 or early 1997 following the selection of the chief executive-designate.

He dismissed suggestions that the PWC was making use of loopholes in the Basic Law by proposing a group of selected "caretaker" legislators. "No... the Basic Law does not say we cannot set up a provisional legislature."

Mr Leung said he believed the body would not impose any pressure on the Legislative Council in the months before the handover.

He said the sub-group had also decided to set up a study group on election affairs to address questions related to the formation of the first legislature. Mr Leung said the group would include election experts, but refused to say whether members of the newly formed Democratic Party would be invited. "We will not consider their party background, but we will look at how much experience and expertise they can contribute after joining the group," he said.

Apart from studying practical arrangements related to the transition, the group will also make visits to overseas countries to observe their elections.

In Hong Kong, major political parties attacked the idea of a provisional legislature, warning that such a move would violate the Sino-British Joint Declaration and the Basic Law.

The Democratic Party said the provisional body would violate the provision in the two documents that said the legislature should be elected. It said the high degree of autonomy of the post-1997 Hong Kong would be undermined if the provisional body lacking a public mandate was empowered to approve important laws.

They warned that the Chinese Government had not considered the technical problems incurred by the dissolution of the Legco in 1997.

Hong Kong's legal system would be destroyed if an illegitimate legislature were empowered to make laws.

"There will be a constitutional crisis. Hong Kong people and investors will lose their confidence."

The Democrats urged China to reconsider allowing the 1995 Legco to survive after 1997 if it is found to work well and have the support of the people.

"(China) should not ignore the aspirations of Hong Kong people for the sake of struggle with Britain," they said.

Executive Councillor Denis Chang Khen-lee urged the PWC to spell out the legal basis of its decision. "I hope whatever they do they will be able to point to some provision somewhere (in the Basic Law) which enables them to do it.

"I am not saying that they can't do it, but if they do, it will be obviously necessary, if not helpful, to know precisely (its legal basis) because it is important to the rule of law of Hong Kong."

The next question he would ask was if their recommendation was based on consultation. "Are you the group of people that carried out the consultation? Is your advice going to be the only advice that we are going to listen to?" he asked. "What are the views of Hong Kong people? Do they matter? These are obviously pertinent questions that the people of Hong Kong would have asked."

Liberal Party chairman Allen Lee Peng-fei said his party would demand urgent meetings with Beijing officials for more details, and the constitutional as well as legal arrangements for the provisional body. He said he would like to know whether there was an alternative.

Mr Shiu Sin-por, executive director of the One Country Two Systems Economic Research Centre, said the setting-up of a provisional lawmaking body was "inevitable."

He said it would have to function for 12 to 18 months for the formulation and implementation of a new set of electoral laws for the first legislature.

He said it would be a worse idea to vest the chief executive-designate with legislative powers and approval of the budget.

Mr Shiu said, however, it was impossible that the provisional legislature should only act as a "caretaker" without real power.

"How much time do you need for the drafting, discussion, approval and implementation of a new set of electoral laws for the new legislature? It's impossible to

do it in six months, it needs 12 to 18 months. It's impractical to limit the power of the provisional legislature," he said.

Dean of the City Polytechnic's Faculty of Humanities and Social Sciences Professor Joseph Cheng Yu-shek said a provisional legislature was "dangerous and unnecessary". The chief executive and the executive council could act as the "caretaker" and enact laws if necessary, he said. It would be dangerous for members of the provisional legislature who might stand for elections to the new legislature to enact the electoral laws, said Professor Cheng.

Patten Opposes Interim Legislature

HK0910070794 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 9 Oct 94 p 2

[By Linda Choy in Beijing and political staff]

[FBIS Transcribed Text] Governor Chris Patten warned yesterday that the proposed setting up of a provisional legislature would harm people's faith in the future of Hong Kong as the Preliminary Working Committee (PWC) continued on its collision course with the Hong Kong Government.

Mr Patten's spokesman called on the PWC to respect public opinion and scrap its political sub-group's controversial proposal for a caretaker legislature to be appointed in 1997. "This is only the decision of a subcommittee of an advisory body to the National People's Congress but clearly Hong Kong people are concerned by it," Mike Hanson said. "This will do nothing to help a smooth transition and nothing to instill confidence in the people of Hong Kong."

Chief Secretary Anson Chan Fang On-sang hinted the appointment of a provisional legislature might breach the Basic Law, which states Hong Kong's post-1997 parliament must be "constituted by election." "The composition of that legislature is very clearly laid out in the Basic Law and we expect those provisions in the Basic Law to be met and faithfully carried out," she said.

The PWC sub-group announced on Friday that a provisional assembly of 60 appointees would have to be put in place in early 1997 to replace the elected legislature, which will be scrapped with the handover, and pass essential new laws on treason, the budget, and endorse Court of Final Appeal judges. The body will also draw up laws for fresh elections, after which it is meant to be disbanded.

But, in Beijing yesterday, the PWC issued a fresh challenge to the administration, with its economic sub-group warning China must be consulted on everything from next year's budget to Hong Kong's housing policy.

Hong Kong co-convenor Nellie Fong Wong Kut-man said any measures to ease rising property prices should be put to the Joint Liaison Group to secure China's

consent. She said Beijing should also be consulted on all future budgets, rather than just that for 1997-98, as Mr Patten proposed in last Wednesday's policy address. "Because the budget proposals usually carry a five-year forecast of Hong Kong's fiscal position, we think China must be consulted as soon as possible," she said after a meeting yesterday to discuss the policy address. This will ensure that forecasts and schedules are accurate and converge with the policies to be adopted by the SAR [Hong Kong Special Administrative Region] Government."

But she rejected suggestions that China was meddling in Hong Kong's affairs by demanding consultation on pre-1997 affairs.

Meanwhile, it emerged yesterday that Hong Kong Monetary Authority deputy chief executive Andrew Shenge Len-tao will attend a seminar of the PWC's economic sub-group in Hong Kong next month. Mr Sheng's acceptance of the invitation to a seminar on the peg between the U.S. and Hong Kong dollars appears to be the first sign of the more flexible policy towards the PWC that Mr Patten promised in his policy address.

Mrs Fong said the October 28 seminar was a "private meeting to gauge the views of experts" rather than a formal session of the PWC sub-group. But it is expected civil servants will also be invited to the sub-group's November 23 symposium on post-1997 trade relations between Hong Kong and the mainland, which is co-sponsored by the quasi-official Trade Development Council.

In Hong Kong, Secretary for Education and Manpower Michael Leung Man-kin said he would reject any such invitation.

Editorial Praises ILC Proposal

HK1010093694 Hong Kong WEN WEI PO in Chinese
10 Oct 94 p A2

[Editorial: "The Establishment of a Provisional Legislature Is Favorable to Prosperity and Stability"]

[FBIS Translated Text] The Preliminary Working Committee's [PWC] political subgroup held its 11th meeting, during which a proposal was made for the establishment of a 60-member provisional legislature comprising Hong Kong people. Foreign nationals will account for 20 percent of its members. This legislature will be formed at the end of 1996 or early 1997 by an electoral committee through an election and will operate for not more than 12 months. The authority of the provisional legislature will be mainly to deal with some laws which must be formulated and ratified before and after the establishment of the Special Administrative Regional [SAR] Government. The provisional legislature will be authorized by the National People's Congress [NPC] Standing Committee.

Some have suggested that the People's Congress may directly ratify the relevant law on the formation of the SAR Government after the establishment of the SAR (during the British administration of Hong Kong, there have been many examples of the British Parliament legislating for Hong Kong). But this does not give expression to the principle of the Hong Kong people administering Hong Kong; therefore, the PWC political subgroup removed this program and proposed the establishment of the provisional legislature.

The decision to establish a provisional legislature in 1997 is an inevitable measure taken by the PWC after the British Hong Kong Government undermined Hong Kong's steady transition, dismantled the through train, violated the Basic Law, and unilaterally formulated the 1995 Legislative Council election program. In his 5 October policy address, Chris Patten explicitly declared that the British Hong Kong Government's Legislative Council elected in 1995 will continue to serve until 1999. The British side's uncooperative attitude is very clear, so the PWC must make early preparations to prevent the failure to form the first legislature during the 1997 power transfer and the emergence of passivity in handling legislation relating to government operations.

The British Hong Kong Government's three-tier councils will end upon the conclusion of British administration in Hong Kong on 30 June 1997. Because the composition and election method for the 1995 British Hong Kong Government's Legislative Council do not conform with the Basic Law and the provisions of the People's Congress, the current voting constituencies, division of constituencies, voting method, and allocation of seats will no longer apply after 1997. As power will transfer in 1997, the constitutional source of the legislatures will be different, the law for organizing the elections will be different, the election program for the first legislature must be reformulated according to the Basic Law, and the election arrangements must be redone.

First, the SAR must formulate the particulars for the elections and complete the legislative procedures; second, voters must register to determine qualified voters; third, the division of constituencies must be introduced, and an electoral affairs committee must be formed to attend to the relevant electoral matters. This is quite a demanding job. Therefore, even if the SAR wishes to immediately prepare for the first legislative council elections starting from 1 July 1997, it will also take some time to complete these electoral arrangements before the first legislative council can be elected.

Before the formation of the first legislative council, the SAR must appoint judges for the administrative region, executive bodies must have funds allocated for their administrative expenditures, funds must be allocated for public facilities construction, and laws must be made to cope with international eventualities and eventualities in Hong Kong's internal affairs. All these require the cooperation of the legislative bodies. Without resolving these

matters, Hong Kong's steady transition and prosperity will be affected, the SAR Government will not be able to operate normally, and the application of laws, urban services, commercial operations, and port transportation will also be affected. Therefore leaving a "legislative vacuum" after 1 July 1997 does not conform with the Hong Kong people's interests. Authorized by the NPC Standing Committee, the PWC, considering Hong Kong's steady transition, submitted settlement methods and proposals to prevent functional vacancies, paralysis, and disorder after the establishment of the SAR. The PWC found it necessary to propose forming a provisional legislature to handle the aftermath of Chris Patten's uncooperative attitude, and it was farsighted in raising this proposal.

Chris Patten always attacks the PWC, does not want to recognize its position, and obstructs its work. His intention is obvious. He is deliberately creating difficulties for the Hong Kong SAR's operation after the British pullout in 1997, to prove that Hong Kong's Chinese do not have the ability to administer this modernized city and to prove the correctness of Margaret Thatcher's prediction: "When China recovers Hong Kong's sovereignty, Hong Kong's prosperity will fade." The British are attempting to benefit from this, expand their influence, and support their agents in regaining control over Hong Kong. Over the past two days, pro-British political forces have wantonly abused the PWC's political subgroup for proposing the establishment of the provisional legislature. This precisely proves that the British side is doing its best to control Hong Kong's political development after 1997. They are worried that, with a smooth power transfer in 1997, the successful functioning of the Hong Kong SAR, and economic prosperity in Hong Kong, colonialist forces will not have the opportunity to stage a comeback.

The Hong Kong people are very discerning. Those who are strongly attacking the provisional legislature today are those who have opposed the Basic Law and supported Chris Patten's constitutional reform package in the past. It is these people who help the tyrant to do evil and have said at the Legislative Council that the "through train is unnecessary" and that the "Basic Law is leading the Hong Kong people into hell." They must be held responsible for the disappearance of the through train. But now they think the Hong Kong people have lost their memories; they have disguised themselves as people who are willing to safeguard the Basic Law, in an attempt to deceive the people by spreading fallacies. How can this hoodwink the people?

The principle of the Basic Law is to resume the exercise of sovereignty, ensure a steady transition, and enable the Hong Kong people to administer Hong Kong under the policy of one country, two systems. The establishment of a provisional legislature corresponds with this principle and is beyond reproach. Furthermore, this action has been necessitated by Chris Patten's breach of cooperation and a steady transition. It must be pointed out that the provisional legislature will operate for a short period.

Its aim is to implement the Basic Law and ensure the election and formation of the first legislative council, the Hong Kong SAR's efficient operation after its establishment, and the prosperity of industrial and commercial undertakings. Some people have even objected to these arrangements, which are legal and rational. Where are they leading Hong Kong, after all?

'Caretaker Legislature' Criticized

HK0810063294 Hong Kong SOUTH CHINA
MORNING POST in English 8 Oct 94 p 18

[Editorial: "Filling the Vacuum"]

[FBIS Transcribed Text] China will create an institutional vacuum when it resumes control of Hong Kong in 1997 and Beijing would be wise if it spent a few more of the 997 days before the takeover thinking more deeply about how best to fill it. The proposals being put forward by the Preliminary Working Committee (PWC) are not encouraging. If followed, they will cause needless resentment among the population at precisely the time that China would gain most from generating maximum goodwill.

The vacuum will be created by Beijing's decision to abolish the three tiers of elected government. The committee has proposed replacing the top tier—the Legislative Council—with a caretaker legislature which would be more active than that label implies. It would be in office for a year or more, which means it would exercise considerable power. This interim body would be selected, making it unrepresentative.

The PWC deserves credit for trying to tackle the serious problems created by China's decision to dissolve elected government in 1997. The proposal, however, shows how little members of the second stove understand the territory's political institutions and the aspirations of the Hong Kong people. It also shows disrespect for the spirit of the Basic Law, which foresees a gradual, steady move to greater democracy. The post-1997 constitution does not envisage a retreat in the middle of that process.

The concept of the through-train, now scrapped, was devised to give the new Special Administrative Region [SAR] Government legitimacy and to provide a popularly respected watchdog to oversee the handover. No appointed, interim body can perform those functions.

PWC's Flawed Advice

Beijing's over-reaction to Chris Patten's constitutional package has forced it to rely on the flawed advice of the PWC. This does not have to be the case. If China had merely signalled its intention to dissolve the elected boards and councils, it could still have changed its mind if they later proved responsible and constructive.

Instead, by passing a law confirming the decision, it seems to have closed off this option. China, however, could still wait and observe and be prepared to change its

stance again if it turned out to have no reason (beyond anger with Mr Patten) to junk the elected bodies. Failing this highly unlikely change of heart, it has to develop alternative arrangements.

Ideally, a new legislature would be elected and take office within days of the handover. Instead, the SAR will need to debate and legislate changes in electoral law before new polls can be held. But if ideas are well-honed beforehand, this need not be a lengthy process.

Limiting The Powers

Proposals for an interim legislature appointed by China's hand-picked Selection Committee, like those mooted by the PWC, will provoke anger and antagonism. Hong Kong people are now allowed a say in who runs their affairs and many will chafe under an unrepresentative body. They might accept an interim legislature created solely to decide how future elections should be held. But Hong Kong should not be stuck with a body not elected by universal franchise, one which grabs full legislative powers and holds on to them for a year while electoral laws become just one of many matters it handles.

If an interim body is to be created, its powers and purpose must be strictly limited and defined and an inflexible deadline set for its dissolution. Its role could be limited to debating and voting on an electoral bill worked out in advance by the Preparatory Committee and drafted with great urgency by the SAR legal department immediately after the handover. There should be no question of dragging the process out for six months or more.

Lastly, if an interim legislature is selected, it must be broadly based if it is to earn support from different sections of Hong Kong society. Neither the caretaker body nor any legislature elected by its rules will have legitimacy unless its membership reflects all shades of opinion (including those held by members of the Democratic Party).

The people of Hong Kong are increasingly sophisticated politically. They will not be impressed if the new body is composed entirely of people reflecting only one political viewpoint.

Committee Recommends PLA Follow 'Civilian Laws'

HK1110063494 Hong Kong HONGKONG STANDARD
in English 11 Oct 94 p 1

[By Flora Wong]

[FBIS Transcribed Text] People's Liberation Army soldiers stationed in Hong Kong after 1997 will be subject to military laws inside their barracks and to the full force of civilian laws outside. This is part of the recommendations made by a special committee of the PLA headquarters following a secret PLA research mission to the territory.

The documents have been submitted to the Chinese Government and made accessible to the Preliminary Working Committee for consultation. According to informed sources, the PLA research mission studied current British military jurisdiction in the territory in order to provide points of reference for future PLA legislation.

After two years of research, the committee recently completed its project and has recommended applying both military and civilian laws to soldiers. The decision is partly based on a study of the British garrison and the laws that apply to its soldiers. British soldiers here have to observe Hong Kong laws and military ones such as the British Army Act, the Navy Act and the Air Force Act.

There is absolutely no question that the PLA would be exempt from or above the law, either military or civilian. For clarification, the team suggests that PLA soldiers-3,000 are to be posted in Hong Kong compared to the present 7,000-strong British garrison—would be liable to martial law if they commit an offence in their barracks.

The boundary between civilian and military jurisdictions has been clearly demarcated. Soldiers who transgress against civilians will be liable to civilian laws and be charged in courts outside military jurisdiction.

According to the Basic Law, the mini-constitution for Hong Kong after 1997, in addition to abiding by national laws, members of the garrison shall abide by the laws of the Hong Kong Special Administrative Region. By submitting soldiers to civilian rules, the PLA appears to want to allay public fears of the Chinese troops after the June 1989 crackdown in Beijing.

A law covering the Chinese garrison was already drafted by the Commission of Legislative Affairs of the National People's Congress Standing Committee with the consultation of local deputies to the Chinese parliament. This will be finalised soon. The team also studied the privileges enjoyed by the British forces and which of these, if any, should be retained for the PLA. A British military spokesman said troops did not have special privileges, such as exemption from public transport fares or special customs arrangements.

Response To Ban on Civil Servant Contacts With PWC

OW0710155794 Beijing XINHUA in English 1443
GMT 7 Oct 94

[FBIS Transcribed Text] Hong Kong, October 7 (XINHUA)—A senior Chinese official in Hong Kong Thursday [6 October] accused Governor Chris Patten of creating new obstacles by refusing to let civil servants have formal ties with members of the Preliminary Working Committee (PWC).

Zhang Junsheng, deputy director of XINHUA NEWS AGENCY Hong Kong branch, asked, is banning civil

servants having ties with PWC "intended to strengthen cooperation or create more obstacles?"

He noted that the British side said they wanted to improve Sino-British relations, but they continued to create obstacles.

"We have a lot of practical work to do to ensure Hong Kong's stability and prosperity and a smooth transition. Empty talks or rumors are meaningless," Zhang added.

Chief Secretary Anson Chan Thursday wrote to all the 15 policy secretaries and the 76 departments and agencies chief, banning civil servants having formal ties with the PWC.

The letter stated, "It would not be appropriate for Hong Kong civil servants to become members of the PWC, attend formal meetings of the PWC or its sub-groups, or to act as advisers to the PWC or its sub-groups."

The move followed an outbreak of criticism from legislators and civil service unions against Patten's "ambiguous stance" toward the PWC in his third annual policy address delivered on Wednesday.

Leung Chun-ying was quoted by the local press as saying that the guidelines restricted contact between civil servants and the PWC rather than enhancing it.

The move rendered obsolete the PWC's Civil Service Affairs Unit set up to hear the concerns of local civil servants in the transitional period, Leung said, adding "This is a backwards step."

Alex Au, Senior Non-Expatriate Officers Association vice-chairman, said: "The guideline is retrograde. We thought we were allowed to join the PWC sub-groups discussions."

PWC Official Criticizes Policy

HK1010080994 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1104 GMT 7 Oct 94

[By reporter Su Man (5685 2581)]

[FBIS Translated Text] Hong Kong, 7 Oct (ZHONGGUO TONGXUN SHE)—Chan Nai-keung, former chairman of the Hong Kong Senior Civil Servant Association and member of the Preliminary Working Committee [PWC] civil service affairs sub-group, maintained that the section on the civil service in Hong Kong Governor Chris Patten's policy address and the guidelines issued by the chief secretary, despite their high-sounding words, actually place many restrictions on civil servants, preventing them from overcoming their misgivings about having exchanges with the PWC. The Hong Kong Government moved back several steps instead of improving its relations with the Chinese side in line with the wishes of the general public. He added that this is detrimental to the smooth transition of

the civil service system. Chan questioned the policy of forbidding civil servants from expressing their views to the PWC.

Chan told this reporter that Patten seemed to have adopted a more adamant attitude. The definition of private contacts was unclear. It could mean that any civil servant must report to his superior after contacting the PWC. With this restriction, leaders of civil servant organizations would hesitate to communicate with the PWC. The definition of confidential information is determined by the authorities, while information which could be made public is already known to all. Under these circumstances, the PWC will not know where to begin its work. The British side's refusal to cooperate with the Chinese might cause a shock among Hong Kong civil servants and a loss to Hong Kong in 1997. This is the last thing the Chinese side hoped to see. These developments suggest that the British side has taken an indifferent attitude and lacks sincerity for cooperation in the transfer of sovereignty. The restrictions introduced by the Hong Kong Government will lead to conflicts between management and civil servants and disintegration within the ranks of the civil service.

Chan criticized Patten for playing down the PWC's role, adding that this demonstrates the British side's lack of sincerity for cooperation with the Chinese side. The Chinese and British sides agreed the preparatory committee for the SAR (Special Administrative Region) would not be set up until 1996, because the two sides were on good terms at that time and considered the through-train program workable. But then the seven letters exchanged between the foreign ministers of the two countries were brushed aside, and later the foundation for bilateral cooperation was undermined further. Under these circumstances, setting up the preparatory committee in 1996 would be too late, because the Chinese side would have to do a great deal of preparatory work. The PWC was designed to pave the way. It is necessary for Hong Kong civil servants to directly communicate with their future employer, and the civil servant organizations also expressed their desire to establish ties with the PWC. Chan added that, in fact, the involvement of incumbent civil servants is indispensable for dealing with transitional matters.

Chan said with deep feeling the present situation has put the civil servants and Hong Kong people in a position of helplessness. He predicted that the PWC's work would continue despite the difficulties.

PWC Economic Group Discusses Relevant Issues

OW1110133494 Beijing XINHUA Domestic Service in Chinese 1217 GMT 9 Oct 94

[FBIS Translated Text] Beijing, 9 Oct (XINHUA)—The two-day 10th meeting of the economic affairs subcommittee of the Preliminary Work Committee [PWC] for the Preparatory Committee of the Hong Kong Special Administrative Region [HKSAR] ended in Beijing

today. It mainly discussed questions concerning the economic issues in Hong Kong Governor Chris Patten's policy address, Hong Kong's sewage disposal project, and high-level coordination between the mainland and Hong Kong over major infrastructural projects. It also put forward some preliminary opinions and suggestions.

Members of the economic affairs subcommittee said: Hong Kong Governor Chris Patten put forward in his policy address a number of financial and economic policies and commitments. Since those policies and commitments will go on beyond 1997 and require the HKSAR to bear responsibility, consultations must be held with the Chinese side. The Chinese representative in the Sino-British Joint Liaison Group [JLG] should ask the British side to provide relevant data to the Chinese side and hold consultations through the JLG to facilitate the continuity of policies. The British side should hold consultations with the Chinese side as soon as possible over such questions as government budget and government property transfer.

Environmental protection experts, invited to the meeting by the subcommittee, briefed the meeting on Hong Kong's sewage disposal project. The subcommittee members held: The sewage disposal project will go beyond 1997, affect the water resources in the South China Sea, and has a bearing on the livelihood of six million Hong Kong residents; and its large budget will affect Hong Kong's post-1997 financial resources. For this reason, it is necessary to listen to opinions from various quarters, give an overall consideration to the project, and ensure convergence between the first stage and the second stage of its construction.

On the coordination between the mainland and Hong Kong over major infrastructural projects, the subcommittee members said: The mainland and Hong Kong should hold consultations and coordinate with each other on the construction of those projects. Lack of such consultations and coordination will cause great losses and hurt the economic development in both the mainland and Hong Kong. The PWC has already proposed through the relevant channel to the British-Hong Kong authorities to form a high-level coordination group between the two sides, but has not yet received any reply so far.

The subcommittee members also discussed the economic relations and trade between the mainland and Hong Kong during the meeting.

PWC Group Discusses Interim Arrangements

OW1210042694 Beijing XINHUA Domestic Service in Chinese 1258 GMT 11 Oct 94

[FBIS Translated Text] Beijing, 11 Oct (XINHUA)—The cultural subcommittee of the Preliminary Working Committee [PWC] of the Preparatory Committee of the Hong Kong Special Administrative Region held its sixth meeting in Beijing on 10 and 11 October.

Based on the discussions of the subcommittee's previous meeting, PWC members elaborated on interim arrangements for the names and titles of Hong Kong's public institutions, holidays, honorary titles, and postage stamps, as well as the basic principles governing academic credentials and civic education, after 1997.

The meeting also discussed the framework and highlights of the work report and special report to be presented to the PWC's fourth plenary session to be held in December.

Colonial Names To Remain After 1997

HK1110060694 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 94 p 3

[By Chris Yeung]

[FBIS Transcribed Excerpt] The names of Hong Kong's streets, schools and hospitals should not be changed despite the "hue of colonialism", a Preliminary Working Committee sub-group decided yesterday. The culture sub-group meeting in Beijing said there might be confusion in names such as Queen's Road East and King's Road were changed.

Hospitals and other public facilities, such as schools named after the royal family should also remain unchanged, it said. But the name of institutions that demonstrated "the authority of the British Government" such as the Royal Hong Kong Police Force and Royal Hong Kong Jockey Club would have to be altered.

The sub-group also decided the August 29 Liberation Day public holiday which marks the day Hong Kong was liberated from the Japanese during World War II—would be renamed "Memorial Day for Victory in the Anti-Japanese War". Whether it will still fall on August 29 is yet to be decided. At the first day of a two-day meeting in Beijing, the sub-group also listed the public holidays for the six months of 1997 after the July 1 handover. There will be an extra holiday for Hong Kong people on July 2, but from 1998 onwards, only July 1 will be a public holiday.

The sub-group proposed the two public holidays for the Queen's birthday be dropped and one replaced by the Chinese National Day on October 1. It said the number of public holidays after 1997 should remain at 17, maintaining that Christmas and Easter had become part of Hong Kong people's life.

But details of how the holidays should be scheduled after 1998 should be left to the Special Administrative Region, it said. [passage omitted]

Editorial Says DAB Showing Symptoms of 'Distress'

HK1110063294 Hong Kong SOUTH CHINA MORNING POST in English 11 Oct 94 p 24

[FBIS Transcribed Text] It is tough being a democrat in the pro-China camp. So tough that the Democratic

Alliance for the Betterment of Hong Kong (DAB) is beginning to show symptoms of ideological distress. Embarrassed by the Preliminary Working Committee's (PWC) proposal to set up an interim legislature "by consultation" in 1997, the DAB is asking the Hong Kong Government to save it from having to take part in this charade. As a party committed to participating in the democratic process—even one which would prevent the election of Martin Lee Chu-ming, Szeto Wah and other leading Democratic Party members—it appears uncomfortable with the idea of being "elected" by a committee. It would prefer to take part in a properly elected legislature, rather than languish for a year or more in an interim, appointed body. The DAB, however, cannot have it both ways: Tsang Yok-sing, the party's chairman, serves on the PWC sub-group responsible for the proposal.

Mr Tsang has called on Chris Patten's Government to co-operate with the future Preparatory Committee in preparing the post-1997 elections. DAB Secretary-General Cheng Kai-nam has gone further, suggesting the governor should hold SAR elections before 1997. That would eliminate the need for an interim body.

Mr Tsang is pessimistic about co-operation on this score—understandably so. Neither China nor Britain appears likely to consider helping with the other. They did not fight to a standstill over constitutional development in order to help each other run models they despise.

The DAB's dilemma holds a lesson for the PWC and Beijing. Until now, it has been Britain which has been seeking China's co-operation because it has had responsibility for implementing policies and projects which will continue to have effect after the change of sovereignty. But now that the PWC is active, now that Beijing and its Hong Kong supporters are concentrating on developing their post-1997 proposals and arrangements, they are starting to see that Britain's help would be useful.

There has been little evidence of co-operation from either side since the June 4 massacre, although it was arguably China's continued humiliation of Britain after London's peace overtures of 1990 and 1991 which brought out Mr Patten and the tougher line he represents. But while Britain has so far been very much the rebuffed suitor, the DAB's difficulty shows the booting is moving to the other foot. The airport finance package, the construction of Container Terminal 9, international air traffic agreements and the localisation of laws are all waiting for China to take a more co-operative stance. Increasingly, however, China will across issues where its idea of a smooth transition depends on British co-operation.

As China finds its requests for information on the inner workings of government, briefings by (and information on) senior civil servants, co-operation on the budget, disclosure of other financial secrets and any number of other details vital to a hitch-free hand-over are blocked

by its poor relationship with Britain, it might begin to wish it had cultivated a little more trust and goodwill with Mr Patten. Perhaps there will come a point where both will realise that the most important game in town is not Britain versus China but the future of Hong Kong.

Lawmakers Increase Pressure Over Press Freedom

HK1210052294 Hong Kong EASTERN EXPRESS in English 12 Oct 94 p 2

[By Mary Binks]

[FBIS Transcribed Text] The government is being further pressured to tackle self-censorship in Hong Kong's media before the 1997 handover. The Home Affairs Secretary, Michael Suen, yesterday came under intense scrutiny from legislators over the government's move to ensure press freedom in the territory in the lead-up to the transfer of sovereignty.

A Democratic Party legislator, Fung Chi-wood, argued that the government should give greater attention to preventing self-censorship among the media.

Suen said that upholding press freedom was not solely the responsibility of government. "It is a matter we are very concerned about. We have been able to attract investment partly because of freedom of the press. But all sections of the community, including members of the media, need to cooperate to preserve press freedoms. We must not rely solely on the government for freedom of the press but rely on cooperation of all sectors of the community. We should not impose restrictions on ourselves."

Fung said the government was relying too heavily on the public to maintain press freedom and not employing sufficient safeguards. "We hope the administration will put self-censorship on its agenda because it will seriously jeopardise freedom of the press," he said. "You cannot rely just on the public to do this."

Suen said the government was already amending existing laws to ensure press freedom could not be compromised after 1997. He said in addition to that the government could do little more than maintain an environment in which press freedom would not be jeopardised.

Many legislators, as well as the Hong Kong Journalists Association, have accused the government of doing too little to ensure that the rights of journalists are properly protected after 1997.

Hong Kong-Mainland Economic Relations Noted

OW0610163194 Beijing XINHUA Domestic Service in Chinese 0115 GMT 29 Sep 94

[“Special article to mark National Day” by XINHUA reporters Wu Ming (0702 2494), Zhang Jian (1728 0256)

and Sun Chengbin (1327 2110 2430): "Create Prosperity—Looking at Economic Relations Between Hong Kong and the Mainland"]

[FBIS Translated Text] Hong Kong, 29 Sep (XINHUA)—The following figures are quite interesting:

In 1993, the average per capita use of long distance telephones to various places in the world by Hong Kong residents reached 210 minutes, of which about 100 minutes were used to communicate with people on the mainland. During the past five years, the volume of telephone communications between Hong Kong and the mainland increased by an average of more than 35 percent each year.

In 1993, some 88.2 million trips were taken by passengers who entered or left the mainland from Hong Kong by sea, land, and air. Among the 37.5 million passenger-trips entering and leaving the mainland from Hong Kong through Luohu, 95 percent were Hong Kong residents. In other words, the average number of trips taken by Hong Kong residents through Luohu during 1993 was six times per person.

In 1993, more than 50 university students' groups from Hong Kong were assisted and arranged by the XINHUA Hong Kong Branch to visit and take part in exchange activities on the mainland with the participation of more than 2,000 people.

Those figures are not just dull figures. Behind those trips and contacts there is an increasing economic integration trend between the two sides.

1. In 1993, Hong Kong's total export value decreased by 4.7 percent as compared with that of the previous year, but the total value of exports from Hong Kong to the mainland increased over the previous year. Meanwhile, due to the continuous increase in entrepot trade, Hong Kong's total trade volume continued to increase by two digits and exceeded HK\$2,000 billion [Hong Kong dollars] despite the fact that the value of Hong Kong products decreased that year. Some 88 percent of the entrepot trade was related to the mainland.

In 1993, Hong Kong once again became the largest container shipping port in the world. More than 80 percent of containerized cargo handled in Hong Kong was shipped to the mainland or from the mainland. The volume of cargo from the mainland accounted for about half of the total container shipping in Hong Kong.

Under the influence of sustained and rapid economic growth in China, there was an unprecedented bullish trend in Hong Kong's stock market in 1993. On 31 December 1993, the Hong Kong Heng Seng Index closed at 11,880 points, rising by 116 percent over that of the previous year and becoming the seventh largest stock market in the world. Six large-scale state-owned enterprises with sound operations were listed in Hong Kong's

stock market, and most of those stocks were purchased more than 100 times in excess of the amount of subscription.

Some people have noted that the mainland is the pillar for entrepot trade in Hong Kong, and that the "China factor" is the "bull market" for Hong Kong's stocks. In seeking the root cause of Hong Kong's prosperity today, a foreign news agency used the words most often seen on Chinese export commodities: "MADE IN CHINA" [English as transmitted].

In the middle of the 80's, due to the West's economic recession, Hong Kong's economic growth dropped to as low as 0.2 percent. After entering the 90's, despite the phenomenon of the West's recurrent recession, Hong Kong's economy has been maintaining a sound and stable growth. In particular, during 1992 and 1993, the growth rate of Hong Kong's economy was maintained at 5.6 percent. During the first half of this year, the upward trend continued. The Hong Kong Government has recently adjusted the annual economic growth from 5.5 percent to 5.7 percent.

Hong Kong's economic success has many reasons, including efforts and diligence of residents in Hong Kong and influence by international opportunities. However, economists have unanimously held that the "China factor" is the key factor. Professor Liu Zhaojia of the Hong Kong Chinese University has this viewpoint: "Without the existence of China and the implementation of the policy of reform and opening up on the mainland, Hong Kong could not possibly have today's development."

2. When the spring wind of reform and opening up started in 1979, Hong Kong businessman Liu Yuxin made his first investment in the Zhujiang Delta and set up his first processing enterprise of "three imported and one compensatory [processing according to foreign specimens, processing imported materials, assembling imported parts, and compensatory trade]." More than 10 years have passed. His Xinbaode Electronics Corporation has set up a number of joint ventures and wholly owned enterprises in Guangzhou, Shenzhen, Meizhou, and other localities. The annual value of exports from his corporation's electronics products to the United States reached several hundreds of millions of Hong Kong dollars. Liu Yuxin said: Reform and opening up on the mainland have created wide development space for the economy and the society. They not only benefited the mainland but also brought opportunities for creating new prosperity in Hong Kong.

To businessmen, opportunity means money. As Hong Kong's leading rich person, Li Ka-shing [Li Jiacheng] has invested nearly HK\$40 billion on the mainland. In 1993 alone, his investments on the mainland totalled more than HK\$5 billion. His explanation is very simple: There are many good investment opportunities on the mainland.

Now more than 80 percent of companies in Hong Kong have made investment on the mainland, including nearly all financial groups. Hong Kong businessmen have become the largest investors on the mainland from outside, and their scope of investment covers almost all industries on the mainland.

An economist summarized the "attractiveness" of investment on the mainland to Hong Kong's investors: A nation that has finally changed from a state of quietness to a state full of vitality, a system of seeking development in the course of reform and entering the international market in the course of opening up, and the largest market in the world that is yet to be developed.

After entering the 80's, Hong Kong's economic transition brooked no delay. China's southern region has become a vast "backyard" for Hong Kong's manufacturing industries, and many enterprises have moved their plants to the north. The cheap labor cost and economic resources of southern China have helped Hong Kong enterprises boost their international competitiveness. Moving their plants to the north has also given Hong Kong enterprises space and resources for developing new products. More than 90 percent of small enterprises in the printing industry, which is Hong Kong's oldest industry and also one of the four pillar industries in Hong Kong, have moved their plants to the mainland. Of the six "leading companies" of the industry with their shares being listed in the stock market, five have set up plants on the mainland. Investment on the mainland has benefited many Hong Kong enterprises. For instance, in 1993, the growth rate of Hong Kong's printing industry reached 15 percent and the industry emerged from its 80's slump.

Hong Kong businessman Ye Zhixiong has the following judgment: Hong Kong has well developed transportation and telecommunications, fast industrial information, advanced managerial skill, a trade network extending in all directions, and abundant capital; while the mainland has manpower, land, market, mineral resources, and the advantage of science and technologies. The two sides can create unprecedented productive forces by supplementing each other with their advantages.

Professor Liu Zhaojia is convinced: Owing to economic cooperation with the mainland and supplementing each other with their own advantages, Hong Kong accelerated its economic transition in a relatively smooth manner and avoided throes and shock in the process. In the wake of economic transition, there is now a greater space for Hong Kong's economic development.

3. An economist predicted that, with close economic cooperation and supplementation between Hong Kong and the mainland, the division of industries has become more apparent.

Hong Kong financial analyst Liu Weiyl pointed out: The mainland's rapid development has prompted the shifting of a large amount of capital to the financial institutions

in Hong Kong as a "base" for opening up markets in China. Hong Kong's function as an international financial center will be further strengthened. With the development of economic cooperation and trade between Hong Kong and the mainland, the large amount of funds will further promote the development of Hong Kong's banking business. The mainland's participation has also promoted the development of Hong Kong's stock market.

Chen Shaogan, Hong Kong Productivity Promotion Center president, held that, in the face of sharp international competition, Hong Kong's industries have only two ways out, namely reducing product costs and raising products' added value. In recent years, Hong Kong businessmen have moved many processing plants to the mainland to reduce production cost. However, only developing low grade goods will not be satisfactory. It is necessary to raise the level of science and technology and to change from labor intensive industries to enterprises with a greater investment of technology and funds so as to raise the added value of products. Tian Beijun, Hong Kong Productivity Promotion Center chairman, predicted: "Hong Kong industries' new potentials will be derived from better utilizing advanced science and technology from the mainland."

Facts have explained the above-mentioned point. The fields of investment by Hong Kong businessmen have been changed from nearly pure labor intensive enterprises in the past. A number of enterprises have utilized advanced science and technology on the mainland to develop their products. Computer products produced by Lianxiang Company, which was set up jointly by Hong Kong businessmen and the Chinese Academy of Sciences, have successfully entered European and American markets and become easily marketable products.

Economic relations between Hong Kong and the mainland have become closer and closer. Now the two sides are relying on each other and are seeking joint prosperity. The mainland's development needs Hong Kong, while Hong Kong's prosperity must also rely on the mainland.

Liu Guangru, Hong Kong Xinguang Enterprise Group president, said: "With a great economic theater on the mainland, Hong Kong's businessmen can perform to the best of their ability." Noted Hong Kong industrialist Hu Yingxiang said: Hong Kong's economic future depends on its active role in helping the mainland develop the market economy. Huang Jiwen, adviser of Hong Kong affairs and convener of the Economic Group of the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region, said: Only by clearly seeing the direction of China's economic development and even more closely cooperating with the mainland in economic affairs, can Hong Kong find its direction. Things will also prove that the integration of Hong Kong and the motherland not only means the recovery of sovereignty and national

dignity, but also professes the formation of a community [gong tong ti 0364 0681 7555] sharing the same economic fate. By going forward hand in hand, people of the two sides have not only made yesterday's achievements, but will also create tomorrow's prosperity for the Chinese nation.

Authorities Urged To Detail Sewage Project

HK1010065294 Beijing CHINA DAILY in English
10 Oct 94 p 1

[By Ma Chenguang: "Sewage Disposal Details Desired"]

[FBIS Transcribed Text] As the first phase of a Hong Kong sewage project gets underway, China is urging British authorities there to discuss construction of the entire project.

The economic panel of the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region finished a one-and-half day meeting in Beijing yesterday on the subject. The panel suggested the Hong Kong Government be asked to change its current approach.

So far, the HK Government has allocated HK\$6.2 billion (\$794 million) to kick off the project's first phase with consultancy and surveying work. But it's only going to hold talks with China on its second phase.

The first phase of the project is expected to cost HK\$5.8 billion (\$743 million).

Previously, the HK government planned to discharge the sewage off the Dangan Archipelago to the south of Hong Kong to avoid a pre-discharge treatment as such a process would cost another annual HK\$9 billion (\$1.15 billion).

At the panel meeting the members reviewed in detail a report by environmental protection experts on the project and studied the inter-relation between the scheme's first and second phases, the panel's chairman Gao Shangquan said.

Gao said his group regarded the scheme as an outstanding case in that:

- As a project that traverses 1997, it influences Hong Kong's internal affairs.
- As a project awaiting mammoth investment, it affects the financial affairs in Hong Kong after 1997:
- If not properly handled, it may bring pollution to other areas in the South China Sea.
- And it affects the daily life of Hong Kong's 6-million-odd residents.

Though China's call was in good faith, Gao said, the HK Government only sent 80 boxes of data and materials last month, indicating its reluctance in responding to China's request.

China is serious about this sewage business and has set up an expert group to study the issue, added Gao.

Another official said that the Hong Kong and Macao Affairs Office under the State Council has asked the Finance Ministry to assign 400,000 yuan (\$47,000) to employ experts to analyze these materials.

China proposed to set up a joint group to supervise coordination of the major infrastructure projects.

The meeting also touched upon trade relations between Hong Kong and the mainland, Gao said.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.

END OF

FICHE

DATE FILMED

14 October 1994

